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CITRUS
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FROST REDUCED CITRUS CROPS IN SPAIN AND ITALY 1/

The 1962-63 production of oranges in Spain was reduced by frost in December 1962 and in February 1963. Tree damage was localized, and the freeze will have little effect on the 1963-64 crop.

Total Spanish orange exports in the 1962-63 season are estimated at 17 million boxes (34.1 million boxes in 1961-62), and lemon exports at .5 million boxes (1.3 million boxes in 1961-62).

The small 1962-63 Italian orange and lemon crops resulted from frost damage in February and again in late March 1962, and also from drought the following summer. The Italian lemon crop suffered no significant damage from the snow and frost on the following January 23 and 27, 1963; the orange crop, however, was reduced on the Italian mainland by this January frost. No significant effect on 1963-64 Italian orange or lemon production should be expected as a result of the current season's cold weather.

Italian exports to Europe of summer (Verdelli) lemons--June through September 1963--are estimated at 1.13 million boxes compared with 1.61 million boxes in this period in 1962.

These observations were made on a survey of the major citrus areas of Spain and Italy in February 1963, and are reported here together with additional information on recent developments in both countries.

1/ By J. Henry Burke, Marketing Specialist, Foreign Agricultural Service

Market Consequences

The changes in the supply and the price of Spanish and Italian citrus and citrus products as a result of the 1962-63 short crops highlights the basic difference between these citrus industries and that of the U. S. Both Italy and Spain are fresh fruit industries, and processing supplies are dependent on salvage from the fresh fruit trade. Nearly the entire product output of both countries consists of industrial juices and essential oils which are sold mostly to Europe's soft drink trade. Neither Spanish nor Italian citrus products have any significant identity with the European consumer.

Because of this situation the fruit-damaging Spanish frost increased that country's juice production and lowered its juice prices in a period of shortages in fruit supply, because abnormally large amounts of injured fruit had to be processed. Also, because frost-damaged oranges were sold in Europe, the price of fresh oranges did not increase until late in the season, when differences in fruit condition were more apparent.

In Italy, on the other hand, the short 1962-63 orange and lemon crops reduced the processing of both oranges and lemons at a time of strong demand for lemon oil and lemon juice. The effect of changed world demand for lemon products has not increased processing but has created an opportunity to market large stocks of lemon oil and preserved lemon juice.

Fresh Citrus

The effect of the 1962-63 freeze in reducing Spanish fresh citrus exports is illustrated by the following comparison:

<u>Season</u>	<u>Oranges and Tangerines</u> 1,000 70-lb. <u>boxes</u>	<u>Grapefruit</u> 1,000 80-lb. <u>boxes</u>	<u>Lemons</u> 1,000 76-lb. <u>boxes</u>
Total 1961-62	28,000	60	1,350
To March 11, 1962	24,599	60	486
To March 10, 1963	16,101	54	282

By March 1963, the grapefruit export season was practically ended, and very small quantities of oranges remained to be exported.

Total grapefruit exports for 1962-63 will probably be about 55,000 80-lb. boxes, and total orange exports about 17 million boxes, the latter nearly 11 million boxes less than the previous season.

The comparison of lemon exports indicates shipments to March 10, 1963, were about 200,000 boxes less than those of the previous season. In 1961-62, about 900,000 boxes were exported after March, but in the 1962-63 season not over 200,000 boxes of export-quality lemons are expected to be available after March. Total 1962-63 lemon exports are expected to be about 500,000 76-lb. boxes, about 850,000 boxes less than the previous season.

Similar data for Italy are not available, but in the period October to December, Italian orange exports were only 803,000 boxes in 1962-63, compared to 1.1 million boxes in this period in 1961-62.

Lemon exports in this period were only slightly lower, 1.9 million boxes in 1962-63, compared to 2.0 million boxes a year earlier. But in the case of lemons, the shortages were not apparent until later in the season. By May 1, 1963, Italian lemons were selling for \$8.00 to \$8.35 per 76-pound box, and oranges for \$5.00 per 70-pound box, free on rail.

Citrus Products

The frost damage in Spain and the short orange and lemon crops in Italy affected each producing area differently and created an unusual situation in the European citrus products market.

In Spain, the abundance of frost-damaged oranges assured Spanish processors greatly increased quantities of fruit supplies from Christmas to mid-May. The large quantities of industrial preserved single-strength and concentrated juice, offered for sale, reduced the price of orange juice in European markets.

Also, frost-damaged Spanish oranges sold in European markets as low as one-third of the 1961-62 season's prices. Some bottlers and citrus base firms took advantage of this situation and purchased Spanish fruit and used it for juice in market areas, adding to the total quantity of juice produced from Spanish oranges.

In Italy, the situation was very different. The background for the marketing of Italy's 1962-63 citrus products production started with the year-earlier 1961-62 crop. That year Sicily had had a very large winter lemon crop--with some of the fruit of this crop unharvested--resulting in very low juice prices. During this time processors were able to buy lemons at very low prices--\$15.00 per short ton. With fruit so cheap, processors utilized the opportunity to obtain large quantities of fruit and to fill their expanded storage facilities with lemon juice.

Processors interviewed indicated that during 1962 they were able to make large sales of lemon juice because of the very favorable prices. This indicates that considerable stocks of lemon juice may have been on hand in Western European markets from these 1962 sales. Trade sources also indicated that record supplies of frozen and preserved single-strength and concentrated lemon juice from the 1961-62 pack were still on hand in Sicily in February 1963.

In 1963, the small supplies of winter lemons resulted in very high prices of processing fruit in February 1963, which was quoted at \$64.00 to \$102.00 per short ton. Processors explained that they could afford to pay these high prices for fruit only because of the rising market for essential oil of lemon.

The very small quantities of lemons processed in Italy from the 1962-63 crop, combined with short orange supplies, indicate that existing Italian stocks of lemon and orange juice, and lemon and orange essential oil, will probably be depleted by the fall of 1963. This may sustain Italian prices of citrus products for the first few months of 1964. It could also encourage the production of adulterated juices and essential oils in Italy.

The combination of these supply factors in Spain and Italy, together with frost-caused shortages in the United States, resulted in a very unusual market situation.

Active demand in both Europe and the United States resulted in much higher prices in early 1963 for essential oil of orange and lemon. In late February, Sicilian lemon oil was quoted \$5.95 to \$8.13 per pound, f.o.b. Sicily. Orange oil prices were also higher, but South African orange oil was still available at \$0.65 per pound, c.i.f. Europe. Most Spanish, West Indian, and Italian sources of orange oil were reported to have withdrawn quotations at this period.

Orange juice prices were mixed as high-quality Spanish orange juice, Israeli juices, and those from the United States were all quoted at higher prices, while preserved Spanish juice was offered at reasonable prices. By mid-February, Israeli prices had increased about 10 percent.

In Germany preserved 65° Brix Spanish orange juice was quoted in mid-February at \$3.55 per U. S. gallon, f.o.b, while Greek orange juice was quoted at \$2.74 to \$2.99 per U. S. gallon, c.i.f., Italian juice at \$3.24, c.i.f., and Argentine preserved orange juice at \$3.89 per U. S. gallon, c.i.f. South African 60° Brix orange juice was quoted at \$2.68 per U. S. gallon, f.o.b.

In England, on the first of March, preserved Spanish 65° Brix orange juice was quoted at \$3.64 to \$3.72 per Imperial gallon, f.o.b., and canned hot pack concentrate at \$4.20 per Imperial gallon, f.o.b. Preserved Argentine orange juice concentrate was offered at \$5.04 per Imperial gallon, c.i.f., while Italian preserved concentrate was available to \$3.60 to \$4.20, f.o.b. Sicily.

On the first of March, Italian lemon juice, concentrated 4 to 1, was quoted in England at \$2.10 to \$3.64 per Imperial gallon, f.o.b. Sicily.

OBSERVATIONS IN PRODUCING AREAS

SPAIN 1/

Murcia

Lemons:--This southern Spanish lemon area, the third most important in the world, suffered two series of frost damage in the 1962-63 season. The first occurred about Christmas, 1962, and a second and more severe cold period was experienced on February 2 and 3, 1963. In the last cold wave minimum temperatures of 23° F. were reported in some lemon areas.

The major lemon growing areas were surveyed by the author, at both high and low elevations, and little or no tree damage was observed in any of the lemon groves. A few isolated groves had been defoliated but these would be an insignificant percentage of the total. It was observed that the damage was lighter on high ground than on low, and that some of the early blossoms and button lemons had been killed by the frost of February 1963. The observed condition of the groves indicates that this frost will have little effect on next year's production as a result of tree damage, but damage to some of the early blossoms may have a retarding effect on next year's production. Interviews with citrus shippers and observations in the area indicated that by February only small quantities of undamaged oranges or lemons were available for export. It was the opinion of the citrus shippers that most of the oranges would be utilized either for juice in small factories or in the domestic market, and that much the same pattern of marketing would be followed for lemons.

The combination of two periods of frost separated by five weeks resulted in a very complicated problem of separating damaged from undamaged fruit. This factor reduced the quantity of export fruit.

Murcia produces most of Spain's export lemons. The largest volume of lemon exports from Spain occurs in the late spring or early summer; therefore, only a small percentage of the crop had been exported before the freeze of February, probably not exceeding 250,000 boxes. In the previous season, 1961-62, Spain had exported approximately 1.4 million boxes of lemons. Trade estimates indicate that lemon exports in 1963, after March, are not likely to exceed 200,000 boxes.

The exceedingly cold European winter has retarded the rate of both orange and lemon exports. This was caused by the slow sales in European markets, as people found it difficult to travel and shop, and also the hazard of transporting fruit which might be frozen in transit.

Oranges: In Murcia, there was no damage to either bearing or newly planted orange trees from the recent freezes.

1/ By Ivy W. Duggan, Agricultural Attache, American Embassy, Madrid, Spain, and J. Henry Burke, Marketing Specialist, Foreign Agricultural Service.

Murcia is a developing citrus area, estimated to contain in 1957 about 12,000 acres of lemon and 20,000 acres of orange trees. Plantings since 1957 have expanded this area considerably since that time; and the total planted area in the Province of Murcia in 1963 may be 50 percent in excess of the 1957 figures. Many new planting sites now being prepared indicate that the size of the industry will be expanded in the near future.

In 1963, men working in the field were receiving \$1.30 to \$1.50 per day in wages. In addition, the employer paid about 30 percent of the daily wage in social security taxes and other benefits.

One estimate indicated that unirrigated land so located that it might be possible to irrigate could be purchased for prices ranging from \$170.00 to \$1,250 per acre.

Alicante

This province just north of Murcia indicated much the same condition. There was observed to be little or no tree damage to lemon or orange groves, either full-bearing trees or newly-planted. While the damage to fruit was extensive, there should be little or no reduction in future crops because of 1963 frost.

In 1957, this province was estimated to contain about 2,000 acres of lemons and about 20,000 acres of oranges. In Murcia, new plantings have greatly expanded. Total acreage in 1963 may be 50 percent larger than in 1957, and most of the new plantings are oranges. Large areas of land were being prepared for planting, indicating that an expansion of the acreage will continue.

North of the major plantings in Alicante, which are in the vicinity of Dolores in the valley of the Segura River, there are new ones along the coast near the town of Altea. The frost of 1962-63 did little damage here.

Valencia

The most southerly part of this province, the Gandia-Olivia area, suffered little damage from either the December or the February cold periods. Plantings at higher elevations were observed to be entirely sound, and estimates of fruit damage in lower areas did not exceed 10 percent.

No tree damage was observed in any grove in this area, and future crops will not be impaired by this season's cold weather.

It was observed that large quantities of fruit still remained on the trees in February and therefore, Gandia had large quantities of export-quality oranges available after February 1963.

In February, 1963, the movement of fruit was slow even from undamaged areas due to the slow marketing conditions in Europe and the hazard of shipping

fruit through the exceedingly cold European weather. Fresh fruit suitable for export was being purchased at prices ranging from \$2.48 to \$4.14 per 70-lb. box.

The remaining fruit at Gandia was high in color, but the sizes seemed smaller than average.

North of Gandia the Cullera district, near the sea, no tree damage was observed and some fruit was still available for the local market.

In the area from Cullera to Carlet, damage to trees consisted of partial or total defoliation but was localized. Within short distances from damaged trees there were groves which were unharmed. Most of the damage to bearing trees occurred in groves which, for one reason or another, were in poor condition--some weakened by tristeza.

A few of the plantings in higher elevations in the Carcagente district were completely defoliated. However, the areas suffering such injury were small by comparison, and damage was confined mostly to trees that were not yet of bearing age, or that were in poor condition.

It is in Carcagente and Alcira that the virus tristeza has been active. While it was difficult to distinguish between damage from frost and injury from the disease, it was apparent that the virus had spread very slowly in the last year, and that the loss of bearing surface caused by disease will probably have no significant effect on total Spanish production in the immediate future.

The area from Alcira to Valencia indicated no tree damage on most of the bearing groves. There was localized defoliation to some young plantings, but the damage observed by the author will have little effect on next year's crop. However, the rate of expansion of the citrus production in this area might be retarded because of damage to young trees.

In the vicinity of Sagunto, North of Valencia, there was little damage observed to groves. In this area, plantings are predominately Blood Oval oranges, and considerable quantities of fruit were observed to be on the trees in February. This area, together with Gandia, supplied most of the export oranges for the balance of the season.

Castellon

This northernmost citrus province contained about 70,000 acres of oranges in 1957, and new plantings since that time have greatly expanded the orchard area. While some localized tree damage was observed at the southern edge of the province, there was little damage to bearing trees in this area. The fruit, however, was extensively damaged, and practically no oranges of salable quality remained available by mid-February 1963.

New Plantings

Citrus plantings of lemons and oranges are being made in the Murcia area, and orange and tangerine plantings are being expanded in all other provinces. The land being prepared for planting, and the undamaged nurseries observed, indicate that a rapid expansion of Spanish citrus plantings may be expected.

Processing

The abundance of cheap frost-damaged fruit will result in record processing of oranges during the 1962-63 season. All the plants visited were operating at full capacity on a 24-hour basis. Spain's processing facilities have a capacity to handle 2,000 to 3,000 metric tons of fruit per day. Less than half of this capacity is in modern processing plants.

In the 1961-62 season, official sources estimate the utilization of oranges for products at about 120,000 tons. Considering the volume of fruit being processed, utilization of oranges for products in 1962-63 may reach 350,000 tons, and possibly 500,000 tons if cool weather results in the frost-damaged fruit remaining in sound condition for a long period of time.

A major new processing plant was placed in operation in Murcia in January 1963. This plant, rushed to completion to handle salvaged fruit contained French juice extraction machinery, Italian oil extractors, and a Swiss high-vacuum concentrator. The plant is housed in a new modern building, and the capacity of 100 tons per day is planned to be doubled as soon as an additional processing line can be installed.

To hasten salvage operations the plant operated 24 hours a day, and it was reported that frost-damaged fruit was being obtained at a cost of about \$8.30 per short ton delivered at the factory. The frost-damaged fruit was reported to be yielding, in February 1963, about 30 percent of juice by weight. In the 1962-63 season, this plant was producing only 65° Brix concentrate, preserved with SO₂, and packed in barrels for sale to the European soft drink trade. When the plant is finally equipped, it is planned to produce only hot-pack concentrated juices there.

Several small juice and oil-extraction plants operate in the Murcia area. These too, at the time of the author's visit, were operating 24 hours a day to salvage as much fruit as possible. It was observed that some of these small plants were hand-peeling oranges from which the oil had not been extracted. This peel was being sun-dried for export to Hamburg to be used in the confectionary trade. In one plant the essential oil was being expressed from the peel by placing the fruit in a lathe-like machine which had a device for scratching the orange and expressing the oil.

These small plants operate with only simple machinery, and in one, the fruit was cut in half and reamed by hand on small powered juice extractors.

In the plant where the fruit was being peeled the remaining pulp was placed on circular mats similar to those used for expressing olive oil, and the juice pressed out. The juice extracted, both by the press and by hand reamers, was carried in buckets to barrels in which it was shipped to juice plants in the Valencia area for further processing.

While some oranges at Murcia were sold at very low prices, processors in Valencia in February were paying \$0.40 to \$0.85 per 70-lb. box, on the tree, for oranges which would yield 30 percent juice by weight.

As the season progressed, the juice yield declined by mid-April 17 to 22 percent by weight, compared to a juice yield of 35 to 40 percent by weight in a normal year.

The price of sound fruit also increased as the season advanced. By mid-April, sound oranges sold for \$4.14 to \$6.00 per 70-lb. box on the tree.

The unusually large quantities of juice produced created marketing problems, especially for the small processing plants. These small installations, processing beyond their accustomed volume, seemingly did not have adequate marketing facilities to dispose of the additional quantities of juice. It is possible also that many of these plants did not have the financial backing to accumulate large stocks of juice. It was probably juice from these plants which was being disposed of in January and February in European markets at rather low prices. This forced marketing was adding confusion to the industrial juice market of Europe. As the volume of these abnormal juice sales decreases, the price of industrial juices in Europe will probably tend to increase, and some processors expressed the opinion that by mid-summer 1963, juices for industrial use would be sold at twice the 1962 price level.

Trade sources indicated that Spanish processors are receiving many inquiries from Western European buyers for industrial juice. Many of these inquiries originate with formerly large buyers of juices from the United States. The Spanish freeze, therefore, will create for the Spanish processors an unusual opportunity to penetrate markets formerly supplied by United States processors.

Some high-quality canned single-strength and frozen concentrated juices are produced in Spain, and some Spanish processors, commenting on future prospects, believe that Spain may one day import some bland orange juice to blend with their highly colored and rather acid juice. It is therefore, possible that as Spanish processing of high-quality products increases, Spain may become a market for Florida-type juice.

ITALY 1/

The Italian Peninsula

There are many scattered citrus producing areas on the Peninsula of Italy from Fondi to the Metaonto at the foot of Italy. None of these areas was observed on this survey; however, it has been reported that frost-damaged oranges in the Provinces of Calabria, Foggia, and in the district of Fondi, as well as the citrus area in the vicinity of Salerno. Damage to producing trees was said to be small. While none of these areas contribute a significant quantity of fruit to exports, they nevertheless affect Italian orange exports indirectly, as the loss of fruit in these areas places a great demand on the remaining supplies in Sicily.

Sicily

The extensive plantings of lemons in the vicinity of Palermo were observed, both near the coast and at high elevations, as well as toward the interior of the island. Although snow had fallen late in January, even in parts of Palermo, there was no indicated damage to lemon or tangerine trees (either young or old) or to lemon fruit which was mature, or to the green immature Verdelli lemons. From the tree condition observed in this area, the frost of 1963 should be expected to have no effect upon the production in these areas for the 1963-64 season.

A smaller-than-average winter lemon crop was observed, and it was also noted that the quality of fruit on the trees seemed to be of poorer grade than is normal in this area. In the groves visited a good Verdelli or summer lemon crop was observed.

Catania

The valley was observed its entire length and no damage was noted to any of the trees seen, whether producing or newly planted, either near the coast or in the interior. Extensive nurseries exist, and the preparation for planting indicates that the rapid expansion of citrus in this area may be expected to continue.

Aci Castello and Acireale

These East Coast lemon areas were observed at both high and low elevations. Although these plantings are on the slopes of Etna, and had been near snow late in January, no damage to either fruit or trees was observed.

It was noted that very few winter lemons were on the trees in this area and that a very large crop of "Maiolino" lemons was in prospect. While the fruit had not been frozen by the frost of January 1963, apparently the cold

1/ By J. Henry Burke, assisted by Robert H. Wurhman, Assistant Agricultural Attache, Rome, Italy.

weather had retarded the growth of fruit and trees, and the small lemons (only an inch in diameter) had already begun to turn in color, and were a light yellow when observed. Very few Verdelli summer lemons were seen.

Lemon trees in this area were not yet in blossom, and therefore there was no apparent damage to the blossoms for 1963.

New Developments in the Italian Citrus Industry

Sicily is changing more rapidly, probably, than at any time in its economic history. New irrigation projects, electric power, and new opportunities for southern labor to find work in Northern European labor markets are all influencing the economy of Sicily. This is reflected in new construction taking place almost everywhere. Because of the increased stepped-up pace of activity wage rates are rising, and while the cost of labor in packing-houses and in the field is still low by comparison with that in many other areas, it has nevertheless changed in the last two years, so that the wages for some work are reported to have doubled in the last three years. The effects of increased wage costs are noticed in the greater use of mechanical, field and transport facilities. The horse-drawn cart is going out of business and is being supplanted by small motor scooter trucks. Hand cultivation of the field is being supplemented in part by small garden tractor-powered tillage tools.

In the future, frost protection by wind machines will be a feature of at least a part of the Sicilian citrus industry. Two or three machines were installed experimentally and operated satisfactorily during the frost of February 1962. Trade sources report that they found this such a favorable experience that over 20 wind machines have been purchased for installation. The installation of this frost protection equipment is being assisted by substantial grants of government funds, according to trade sources.

The new modern plants for packing fresh citrus fruit constructed by the government at Palermo, Catania, and Siracusa, are still reported as little-used by the trade in general. The simple Italian packing plant with little or no machinery continues to handle most export lemons. While the packing-houses have remained the same, the package has changed. The carton or the half-box is now the popular container, and factories to construct cartons for packing Italian oranges and lemons for export are now operating in Sicily.

The Italian government reclamation projects in Sicily and Southern Italy are being carried out as rapidly as possible. When these are complete they will bring about 850,000 acres under irrigation in southern climatic zones in Italy and Sicily. About 450,000 acres of this will be added on the Italian peninsula, in the plain called the Metaponto. When the irrigation projects are complete in Sicily, another 400,000 acres will be brought under irrigation. The most important project in Sicily is the reclamation of the valley of the Simeto River inland from Catania and near the well-established orange districts of Francofonte, Lentini and Paterno. The irrigation project here irrigates 72,000 additional acres; this was completed in early 1963.

On a drive the length of this valley, new citrus plantings were seen from a distance of 60 miles inland to the coast. Nearly all of the new acreage here is being planted to Sicilian variety oranges, mostly the Tarocco, a blood orange.

Italy's orange supplies are expected to increase rapidly, but most of the increase will consist of blood orange varieties little-known in England or in Europe's coastal markets such as Rotterdam and Hamburg.

The combination of Italian citrus growers' new plantings, and Italian Government financial assistance to growers and processors, is bound to result in expanded Italian citrus production in the future.

PROCESSING

The financial assistance which is being given to Italian citrus processors is resulting in the continuing expansion of processing facilities. In some of the small plants visited, it was noticed that new storage tanks had been added and in others, new processing machinery was being purchased and installed.

Incentives offered processors by Italian and provincial Sicilian governments are shown in Table I. It is evident that most Italian citrus products will be produced with the aid of government subsidy.

Several developments are in prospect, including the construction of a new processing plant, mostly government-sponsored, near Palermo, planned to produce canned single-strength lemon juice as well as orange juice concentrate. This project, while financed primarily by Italian Government sponsors, will also have an Israeli investor, and trade sources indicate that the United Kingdom is expected to be the primary outlet for lemon juice. Also in prospect is installation of a citrus juice dehydrating plant in the vicinity of Salerno, south of Naples.

In the plants visited it was observed that modern juice extraction and processing machinery was being added, but much of it was unused in what would normally be the peak of the processing season. The traditional practice of juice production in small field plants continues to supplement the mechanical extraction of juice by the larger processors. There has been little change in the type of products produced in Italy, and preserved and concentrated orange and lemon juices sent to market in wooden casks continue to be the most important type of export juice.

While preserved juices are the mainstay of the Italian juice industry, facilities to produce and store concentrated beverages are being expanded, and storage and production facilities today are considerably larger than they were a few years ago.

Several of the processors interviewed were inquiring about methods of producing and marketing canned citrus juices. It is apparent that there is a considerable interest in improved methods of processing. It is entirely possible that some of these plans will be brought to reality and an expanded citrus juice canning capacity for both orange and lemon juice may be anticipated in Sicily in the near future.

Table I.--Incentives offered by Italian and Sicilian Governments to encourage industrialization in Sicily

Incentives	Large Industries	Small and Medium Industries
I. <u>Financial</u>		
(1) Subsidies	Contributions up to 50 percent of cost of works not compelled by law or by labor contracts for improving working conditions.	Contributions up to 20 percent of cost of setting up small or medium industrial concerns in towns with less than 200,000 inhabitants. Contributions up to 20 percent of cost of machinery manufactured in the South, and 10 percent of cost of other machinery manufactured in Italy.
All Industries		
(2) Credit facilities and loans	Fifteen-year loans for establishment of new industries and for expansion or modernization of existing ones.	
(3) Financial guarantees	Guarantees by the Regional Administration up to 30 percent of an industry's needed loans to purchase inventories.	
(4) Participation	S.O.F.I.S., the Regional Sicilian autonomous agency, may participate with capital in industrial enterprises.	
II. <u>Fiscal</u>		
(1) Tax Exemptions	For industry: (a) Ten-year exemption from income tax; (b) Exemption from tax on income reinvested in industry; (c) Exemption or reduction of registration taxes; (d) Exemption from taxes and fees on financing; (e) Ten-year exemption from municipal taxes.	
(2) Customs exemptions	Exemption from customs duties on imported machinery and equipment needed to set up and/or operate industry.	
(3) Reduction of IGE	Reduction by 50 percent of the general sales tax (IGE) on purchases of industrial machinery and equipment.	
(4) Reduction of taxes on power	Fifty percent reduction in taxes on electric power utilized by industry.	
III. <u>Other Incentives</u>		
(1) Railway freight reduction	Reduction of railroad freight rates ranging from 10 percent to 50 percent, depending on distance, on carload shipments of equipment to set up industrial plants.	
(2) Declaration of public interest	Recognition of the public interest in establishment of industrial enterprises with the possibility of condemning land for use in industrial sites.	
(3) Joint stock companies' shares to bearers	Authorization to joint stock companies in Sicily to issue shares, whereas elsewhere in Italy shares must be registered.	
(4) Allocation of share of government orders to the South:	Provision that 40 percent of all Italian government orders for supplies must be given to southern Italian firms (including Sicilian).	
(5) Rent or grant of industrial sites	Provision that industrial sites for new plants (with power, water, communications) may be rented at low rates or obtained without cost, depending on the municipality or the "consorzio" for industrial development areas.	

Source: Mondo Economico and Banco di Sicilia

Table 2.--CITRUS: Production and exports of fruit, by variety, Spain and Italy 1948-62

SPAIN										
Year	Production 1/			Exports 2/						
	Oranges 1,000 boxes 3/	Tangerines 1,000 boxes 3/	Total 1,000 boxes 3/	Lemons 1,000 boxes 3/	Grapefruit 1,000 boxes 3/	Oranges 1,000 boxes 3/	Tangerines 1,000 boxes 3/	Total 1,000 boxes 3/	Lemons 1,000 boxes 3/	Grapefruit 1,000 boxes 3/
1948	25,168	1,109	26,277	1,245	4/	11,936	4/	11,936	650	4/
1949	21,413	997	22,410	1,279	4/	12,733	4/	12,733	462	4/
1950	27,562	1,290	28,852	1,481	4/	21,483	4/	21,483	1,547	4/
1951	30,357	2,419	32,776	1,642	4/	22,167	4/	22,167	1,300	4/
1952	40,675	2,482	43,157	1,874	4/	31,481	4/	31,481	1,594	4/
1953	29,895	2,588	32,483	1,416	4/	26,006	1,751	27,757	770	42
1954	37,959	3,150	41,109	1,015	56	26,223	1,750	27,973	741	29
1955	33,663	2,281	35,944	1,058	52	17,013	2,033	19,046	358	38
1956	14,536	842	15,378	529	31	9,517	454	9,971	218	21
1957	37,262	2,806	40,068	1,247	36	23,237	1,013	24,250	902	26
1958	33,972	3,072	37,044	2,024	42	21,731	878	22,609	1,460	32
1959	45,410	3,841	49,251	2,838	54	27,148	1,734	28,882	1,734	49
1960	44,050	4,114	48,164	2,545	111	26,239	2,066	28,305	905	46
1961	48,155	3,933	52,088	2,712	154	34,109	2,742	36,851	1,349	61
5/1962	(47,862)	(3,667)	(51,529)	(2,131)	(165)	--	--	--	--	--
6/1962	33,000	2,000	35,000	100	75	--	--	17,000	500	55

ITALY										
Year	Oranges 1,000 boxes 3/	Tangerines 1,000 boxes 3/	Total 1,000 boxes 3/	Lemons 1,000 boxes 3/	Grapefruit 1,000 boxes 3/	Oranges 1,000 boxes 3/	Tangerines 1,000 boxes 3/	Total 1,000 boxes 3/	Lemons 1,000 boxes 3/	Grapefruit 1,000 boxes 3/
1948	12,046	2,555	14,601	8,016	--	4,524	1,196	5,720	7/4,554	--
1949	9,776	2,362	12,138	7,371	--	4,311	1,085	5,396	7/5,330	--
1950	17,411	2,944	20,355	8,931	--	5,860	1,716	7,576	7/3,952	--
1951	15,333	2,668	18,001	8,658	--	4,884	872	5,756	7/4,306	--
1952	17,333	2,844	20,177	8,396	--	4,204	913	5,117	4,627	--
1953	18,329	3,151	21,480	8/9,038	--	5,424	1,014	6,438	5,862	--
1954	17,896	2,903	20,799	9,230	--	4,262	676	4,938	5,427	--
1955	19,615	3,270	22,885	8,806	--	6,165	1,233	7,398	4,795	--
1956	17,936	3,187	21,123	8/9,910	--	5,844	1,816	7,660	6,577	--
1957	19,690	3,331	23,021	9/10,293	--	5,244	1,340	6,584	4,668	--
1958	22,982	3,559	26,541	8/11,554	--	5,101	1,678	6,779	7,136	--
1959	22,459	3,723	26,178	10,379	--	5,357	1,503	6,860	6,282	--
1960	22,331	3,823	26,154	9,758	--	5,209	1,043	6,252	6,885	--
1961	24,269	3,890	28,159	14,315	--	4,776	1,329	6,105	7,904	--
1962	20,660	3,370	24,030	10,849	--	--	--	--	--	--

^{1/} Year of the bloom. ^{2/} In crop years, November-October. Includes about 500,000 boxes of bitter oranges.
^{3/} Oranges in 70-lb. boxes; lemons, 76-lb. boxes; grapefruit, 80-lb. boxes. ^{4/} Not separately classified.
^{5/} Pre-freeze estimate. ^{6/} Post-freeze estimate. ^{7/} October-September crop year. ^{8/} Actual crop was probably 1 million to 2 million boxes larger than indicated. ^{9/} Actual crop was probably 1 million to 2 million boxes smaller than indicated.

Table 3.--CITRUS: Monthly citrus exports, Italy and Spain, by varieties, 1960-61

Month	Oranges			Tangerines			Lemons			Grapefruit	
	Italy	Spain		Italy	Spain		Italy	Spain		Spain	
	1,000	1,000		1,000	1,000		1,000	1,000		1,000	
	boxes	boxes	l/	boxes	boxes	l/	boxes	boxes	l/	boxes	l/
November	31	1,722	:	8	740	:	467	39	:	13	:
December	537	4,754	:	374	823	:	655	90	:	8	:
January	963	4,110	:	462	166	:	492	87	:	2	:
February	1,384	4,395	:	181	11	:	674	68	:	2	:
March	1,188	3,981	:	17	--	:	770	86	:	(27)	:
April	758	3,998	:	--	--	:	831	86	:	(27)	:
May	341	2,730	:	--	--	:	743	187	:	--	:
June	4	202	:	--	--	:	615	130	:	--	:
July	1	(27)	:	--	--	:	609	70	:	--	:
August	(27)	(27)	:	--	--	:	247	25	:	--	:
September	1	--	:	--	(27)	:	333	41	:	--	:
October	1	6	:	1	107	:	449	43	:	20	:
Total 3/	5,209	25,898	:	1,043	1,847	:	6,885	952	:	45	:

1/ Oranges, 70-lb. boxes; lemons, 76-lb. boxes; grapefruit, 80-lb. boxes.

2/ Less than 500 boxes.

3/ Totals of these preliminary monthly Spanish data are not exactly comparable with total seasonal exports.

Table 4.--CITRUS: Exports by country of destination, Spain, crop years ^{1/}, 1958 and 1961

Destination	Oranges		Tangerines		Lemons		Grapefruit	
	1958	1961	1958	1961	1958	1961	1958	1961
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}	boxes ^{2/}
Western Europe:								
Common Market:								
Belgium-Luxembourg	1,545	2,772	143	298	--	6	--	4
France.....	4,012	5,707	215	443	407	420	--	5
Germany, West.....	^{3/} 7,863	13,263	^{3/} 130	979	^{3/} 73	453	^{3/} 13	20
Netherlands.....	2,195	3,489	41	144	--	7	1	3
Total.....	15,615	25,231	529	1,864	480	886	14	32
Other countries:								
Austria.....	670	286	16	23	2	2	1	2
Denmark.....	283	540	--	5	--	1	--	1
Finland.....	100	127	--	7	5	--	--	--
Ireland.....	48	129	--	--	--	1	--	--
Norway.....	505	818	2	3	8	--	--	--
Sweden.....	804	1,411	28	108	--	1	--	--
Switzerland.....	873	921	43	232	198	30	1	6
United Kingdom....	1,599	3,988	260	500	13	15	16	20
Total.....	4,882	8,220	349	878	226	50	18	29
Eastern Europe:								
Czechoslovakia....	301	104	--	--	92	96	--	--
Germany, East.....	^{4/} 4	233	^{4/} 4	--	^{4/} 4	152	^{4/} 4	--
Hungary.....	43	--	--	--	--	--	--	--
Iceland.....	5	8	--	--	--	--	--	--
Poland.....	156	79	--	--	362	139	--	--
Yugoslavia.....	58	86	--	--	--	26	--	--
Other.....	8	64	--	--	7	--	--	--
Total.....	571	574	--	--	461	413	--	--
Other markets:								
Canada.....	8	4	--	--	--	--	--	--
USSR.....	642	--	--	--	292	--	--	--
Other.....	13	80	--	--	1	--	--	--
Total.....	663	84	--	--	293	--	--	--
Total exports, all markets.....	21,731	34,109	878	2,742	1,460	1,349	32	61

^{1/} November 1 to October 31.

^{2/} Oranges, 70-lb. boxes; Lemons, 76-lb. boxes; Grapefruit, 80-lb. boxes.

^{3/} All Germany.

^{4/} Included in West Germany.

Table 5.--CITRUS: Exports by country of destination, Italy, crop years 1/ 1958 and 1961

Destination	Oranges		Tangerines		Lemons	
	1958	1961	1958	1961	1958	1961
	1,000	1,000	1,000	1,000	1,000	1,000
	boxes <u>2/</u>	boxes <u>2/</u>	boxes <u>2/</u>	boxes <u>2/</u>	boxes <u>2/</u>	boxes <u>2/</u>
Western Europe:						
Common Market:						
France.....	--	--	--	--	1,136	781
Germany, West	1,923	1,675	1,072	744	2,791	3,016
Netherlands..	--	--	106	67	--	--
Total.....	1,923	1,675	1,178	811	3,927	3,797
Other countries:						
Austria.....	908	1,013	93	230	472	620
Denmark.....	--	--	--	--	115	--
Sweden.....	818	547	--	--	--	--
Switzerland..	950	1,017	198	197	284	413
United Kingdom:	--	--	--	--	610	503
Total.....	2,676	2,577	291	427	1,481	1,536
Eastern Europe:						
Czechoslovakia.	--	--	--	--	173	64
Germany, East..	159	--	--	--	378	--
Hungary.....	--	--	--	--	291	663
Poland.....	--	--	--	--	--	102
Rumania.....	--	--	--	--	--	190
Total.....	159	--	--	--	842	1,019
Other markets..						
USSR.....	--	--	--	--	682	781
Other.....	343	524	209	91	204	771
Total	343	524	209	91	886	1,552
Total exports, all markets	5,101	4,776	1,678	1,329	7,136	7,904

1/ November 1 to October 31.

2/ Orange and tangerines, 70-lb. boxes; lemons, 76-lb. boxes.

Table 6.--CITRUS PRODUCTS: Exports by country of destination, Spain, calendar year 1961, and Italy, calendar year 1960

Destination	SPAIN		ITALY			
	Orange & Lemon Juice:		Orange Juice		Lemon Juice	
	Single-	Concen-	Single-	Concen-	Single-	Concen-
	strength	trated	strength	trated	strength	trated
	1,000	1,000	1,000	1,000	1,000	1,000
	gals.	gals.	gals.	gals.	gals.	gals.
Western Europe:						
Common Market:						
Belgium-Luxembourg:	11	3	--	1/	1	6
France.....	--	--	1	1	2	12
Germany, West....	23	55	34	449	180	116
Italy.....	--	--	--	--	--	--
Netherlands.....	11	3	8	132	8	3
Total.....	45	61	43	582	191	137
Other countries:						
Austria.....	--	3	11	25	8	10
Denmark.....	7	85	6	14	9	13
Finland.....	1/	2	1/	2	1/	1/
Norway.....	--	42	4	7	--	1
Sweden.....	19	59	2	72	4	22
Switzerland.....	1/	29	3	4	62	7
United Kingdom...	820	105	161	286	1,369	199
Other.....	1	--	2	1	1	--
Total.....	847	325	189	411	1,453	252
Eastern Europe:						
Czechoslovakia...	--	64	--	2	247	69
Poland.....	--	--	--	--	--	1/
USSR.....	--	--	--	--	--	--
Other.....	--	2	--	--	4	--
Total.....	--	66	--	2	251	69
Other markets:						
Canada.....	--	--	--	--	1	--
Iceland.....	--	--	--	--	--	1/
United States....	--	--	--	--	2	6
Africa.....	--	30	--	10	1/	33
Middle East.....	--	--	--	--	9	--
Latin America....	--	--	--	--	--	1/
Other.....	2	--	3	5	1	11
Total.....	2	30	3	15	13	50
Total exports, all markets.....	894	482	235	1,010	1,908	508

1/ Less than 500 gallons.

WASHINGTON 25, D. C.

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CITRUS
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CURRENT SERIAL RECORDS

SUMMER CITRUS PROSPECTS

FOR COMPETITION IN EUROPE 1/

SUMMARY

Oranges: Exports to Europe in competition with U. S. fruit are estimated at 10.6 million boxes, only slightly less than last year. While competing orange supplies are indicated at over 60 million boxes, not over 15 million boxes are of export variety or grade. Some production in South America is unharvested and some reported probably does not exist. South African oranges will offer U. S. fruit strong competition in Western Europe and Canada.

Grapefruit: Competing summer grapefruit supplies are again at record levels because of expanding production in Southern Africa. Mozambique plans to export 100,000 boxes in 1963, and Swaziland, 50,000 boxes. Exports to Europe are estimated at 1 million boxes, nearly double competing exports in 1959.

Lemons: Summer lemon supplies from competing Mediterranean areas are the smallest in 5 years. Exports from Italy and Spain--June through September--are estimated at 1.3 million boxes, about 1 million boxes less than exports in 1962.

Small Mediterranean crops will probably result in increased exports from Chile and Southern Africa, but the deficit in supplies will still result in excellent export opportunities for U. S. summer lemons.

1/ By J. Henry Burke, Marketing Specialist, Foreign Agricultural Service.

Table 1.--ORANGES AND TANGERINES: Production 1958-62 and exports to Europe from principal suppliers competing with United States, summer seasons, 1959-63

Production <u>1/</u>					
Origin	1958	1959	1960	1961 <u>2/</u>	Est. 1962
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Argentina <u>3/</u>	20.7	19.3	22.6	21.5	23.0
Brazil <u>3/</u>	23.0	24.0	25.0	25.0	26.0
Surinam .....	.2	.3	.1	.2	.2
South Africa, Rep. of ..	8.9	11.3	8.5	12.0	11.0
Total.....	52.8	54.9	56.2	58.7	60.2
EXPORTS TO EASTERN AND WESTERN EUROPE <u>4/</u>					
Origin	1959	1960	1961	1962 <u>2/</u>	Est. 1963
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Argentina .....	.08	.02	.06	.06	.10
Brazil	3.18	3.50	3.09	3.38	3.50
Surinam .....	.13	.08	.05	.10	.00
South Africa, Rep. of <u>5/</u>	6.18	8.11	6.22	7.36	7.00
Total	9.57	11.71	9.42	10.90	10.60

1/ Year of bloom, August and September. Boxes of 70 pounds.

2/ Preliminary.

3/ Includes unharvested production.

4/ Shipments to Europe, May through November of the year shown. Boxes of 70 pounds.

5/ Excludes exports to non-European markets.

Table 2.--LEMONS: Production 1958-62 and exports to Europe from principal suppliers competing with United States, summer seasons, 1959-63.

Production 1/

Origin	1958	1959	1960	1961 <u>2/</u>	Est. 1962
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Argentina <u>3/</u>	2.94	2.55	2.51	2.38	2.50
Chile.....	1.06	1.16	1.22	1.28	1.25
South Africa, Rep. of ..	.32	.28	.30	.30	.30
Italy (est. Verdelli)...	1.70	1.49	1.16	1.45	1.30
Total <u>4/</u>	6.02	5.48	5.19	5.41	5.35

EXPORTS TO EASTERN AND WESTERN EUROPE 5/

Origin <u>6/</u>	1959	1960	1961	1962	Est. 1963
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Chile.....	.03	.08	.08	.08	.15
Italy <u>7/</u>	1.64	1.47	1.80	1.61	1.13
Spain <u>7/</u>.....	.54	.34	.25	.81	.17
South Africa, Rep. of...	.14	.17	.20	.19	.20
Total.....	2.35	2.06	2.33	2.69	1.65

Mediterranean only:
June and July

Italy	1.16	.93	1.22	1.17	.75
Spain .....	.40	.28	.20	.54	.15
Total	1.56	1.21	1.42	1.71	.90

Aug. and Sept.

Italy .....	.48	.54	.58	.44	.38
Spain .....	.14	.06	.05	.27	.02
Total.....	.62	.60	.63	.71	.40

1/ Year of bloom, July, August, and September. Boxes of 76 pounds.

2/ Preliminary.

3/ Includes unharvested production.

4/ Spanish summer production not estimated separately.

5/ Shipments to Eastern and Western Europe, June through November, including USSR in 76 pound boxes

6/ Argentina has no exports of lemons for 1961-62. Prior to that time shipments were less than 10,000 boxes.

7/ Shipments to Europe, June through September.

Table 3.--GRAPEFRUIT: Production 1958-62 and exports to Europe from principal suppliers competing with United States, summer seasons, 1959-63

Production 1/

Origin	1958	1959	1960	1961 <u>2/</u>	Est. 1962
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Argentina.....	.85	.88	1.15	1.30	1.50
Brazil.....	.30	.30	.30	.30	.50
Mozambique.....	.09	.10	.10	.15	.15
Surinam.....	.14	.15	.05	.10	.15
South Africa, Rep. of..	.50	.58	.60	.90	1.00
Total.....	1.88	2.01	2.20	2.75	3.10

EXPORTS TO EASTERN AND WESTERN EUROPE 3/

Origin	1959	1960	1961	1962 <u>2/</u>	Est. 1963
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Argentina.....	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>
Brazil.....	.02	.06	.05	.07	.05
Mozambique.....	.08	.07	.08	.09	.10
Surinam.....	.15	.12	.06	.13	.10
South Africa, Rep. of..	.34	.42	.47	.63	.75
Total.....	.59	.67	.66	.92	1.00

1/ Year of bloom, August and September. Boxes of 80 pounds.

2/ Preliminary.

3/ Shipments to Eastern and Western Europe May through November of the year shown. Boxes of 80 pounds.

4/ Less than 10,000 boxes.

OUTLOOK FOR FRESH CITRUS

Increasing supplies of competing summer oranges and grapefruit indicate sustained competition for U. S. fruit in European marketing during the 1963 summer season.

The exceptionally small supply of Mediterranean summer lemons will result in shortages and high prices and excellent export opportunities for U. S. lemons--June through September. Very few Spanish lemons are expected to be available after July. Since Germany is an important market for Spanish fruit this shortage will be felt keenly in that market.

All Southern Hemisphere orange, tangerine, and grapefruit production is subject to some kind of U. S. quarantine control for import into the United States. Information on U. S. quarantine requirements may be obtained from the Plant Quarantine Division, Agricultural Research Service, United States Department of Agriculture, Washington 25, D. C.

OUTLOOK FOR CITRUS PRODUCTS

Citrus processing facilities are being expanded in both South America and Southern Africa. Several processors involved are new ones that will be seeking export markets for the expanded production. Most will attempt to find a market in Europe.

It is likely that very little foreign produced juices will meet the standards of the Food and Drug Administration for import into the United States.

Information regarding the Food and Drug Administration requirements may be obtained from Department of Health, Education and Welfare, Division of Case Control, 330 Independence Avenue, S. W., Washington 25, D. C.

REPORTS ON COMPETING AREAS

Argentina 1/

In 1961-62, orange, tangerine, and lemon crops were small, but the grapefruit crop increased, according to official estimates. The estimated 1962-63 production of 23 million boxes of oranges, 2.5 million boxes of lemons, and 1.3 million boxes of grapefruit is not an indication of commercial supplies. It is doubtful that half of reported citrus production is picked and sold. A still much smaller quantity is of export quality. The Argentine trade estimates that most grapefruit is picked and sold, but 15 percent of lemons, and 30 percent of oranges and tangerines, are not picked or else decay in transit to market.

Most of the new plantings during the next year or two are expected to be grapefruit. The trade estimates that as many as 500,000 new grapefruit trees will be planted during the 1963-64 season. Relatively few orange

1/ Based on information from Quentin R. Bates, Agricultural Attache, American Embassy, Buenos Aires, Argentina.

trees will be planted, as many of the new plantings of recent years are still coming into production, and supply over the next few years is expected to grow at about the same rate as demand

Exports

Exports of citrus fruit were relatively insignificant during 1962. No exports of lemons or tangerines were made in either 1962 or 1961. The trade is hopeful that exports of both fresh and processed citrus will expand substantially during 1963, because of freeze damage in a number of other important producing countries. As much as 1,000 metric tons of citrus juice concentrates, worth approximately \$750,000 may be exported this year.

Trade reports from London indicate that Argentine 65° Brix orange juice concentrate has been offered in early 1963 at \$5.00 per Imperial gallon, c.i.f., British ports. Few sales are reported at this price but some juice may have been sold on the Continent.

Imports

Imports of citrus into Argentina are relatively small. Import figures for the calendar year 1962 are not yet available, but for 1961 only about 390 metric tons of lemons and 162 metric tons of oranges were imported. Mostly from Chile, which occasionally sends small supplies to nearby markets in Argentina.

Processing

In 1959, the citrus processing industry of Argentina had the estimated capacity to utilize only 5 percent of the citrus fruit production. Products were single-strength juices or preserved concentrates to be used in the production of soft drinks.

Production of canned single-strength juices did not begin on a large scale in Argentina until 1961, when a company in Entre Rios started producing single-strength orange, grapefruit, blended orange and grapefruit, and lemon juices. Two other firms are now producing these juices. A firm in the Province of Misiones is processing about six tons of fruit per hour and produces single-strength juices and concentrates; another one in Concordia produces a small quantity of juice.

A new development was represented by a production line for making 6 to 1 concentrates, put into operation in Entre Rios on September 1, 1962 (and adding to the considerable industry expansion underway during the past two years). Most of this product, with preservatives added, will be exported, and a contract is reported to have been made with Western Germany for the shipment of 100 tons per month. The f.o.b., price is said to be the equivalent of about 75 (U.S.) cents per kilo. U. S. equipment has been installed

by this same firm for the production of frozen concentrates. This product will be a 4 to 1 concentrate and will be sold at wholesale in 6-ounce cans for about \$0.29 each for grapefruit and \$0.22 each for orange concentrates. By comparison, the 6-ounce cans of single-strength juices are reported to sell wholesale for about 14 pesos (10 cents) each for grapefruit and 12 pesos (9 cents) each for orange and lemon juices.

This Entre Rios plant at Concordia plans to inaugurate a major promotion campaign for its frozen concentrate lines as soon as production can begin. The new supermarkets will play an important role in this campaign.

With the opening of its frozen concentrate facilities, this Concordia plant will be utilizing 30 to 40 metric tons of fruit per hour.

Production will include about six tons of essential oils a year, mostly orange oil. In a year or so machinery for making livestock feed from their citrus by-products may be purchased, as disposal of wastes from the plant is becoming a problem.

A number of other firms are either expanding their capacity or are getting into the citrus processing field for the first time. The most important of these is the plant built by the Entre Rios Government and the Corporacion Entrerriana De Citrus, which obtained its foreign exchange requirements from the International Development Bank. This organization is constructing a new plant at Concordia, which will be able to process about 30 tons of fruit per hour. This plant may not come into production before 1964. Another plant is under construction in the Province of Corrientes, which will have a capacity of about 10 tons of fruit per hour and may be in production in 1963. A soft drink company plans to import machinery to produce the concentrate needed for its orange drink. In addition, four other firms have applied for permits to import concentrating machinery duty-free, but it is not yet known whether these plants will actually be constructed.

If all plans for installation of processing equipment should be fulfilled, Argentina will either have to increase domestic consumption very substantially or else produce at a low enough cost to compete for export markets. The industry hopes to do both. In most of Argentina, transportation difficulties make the cost of fresh citrus almost prohibitive. Even in the Buenos Aires area, prices are very high during the off-season. Argentine processors believe there is room for a very substantial expansion of the market for high-quality processed products if prices are held at reasonable levels. The response to frozen concentrates is expected to be particularly good, as the price of the reconstituted product will be substantially lower than the price of single-strength juices even though the quality is expected to be better.

A major obstacle to reducing the cost of processed products is the high cost of containers. Recently issued regulations, however, provide for a drawback of import duties for most materials used in the processing of products for export. Costs otherwise are not excessive, as the equipment being used is the most modern and efficient available. Prices currently

being paid for fruit for processing are 4 pesos per kilo (\$27.00 per short ton) for grapefruit, and 3 pesos per kilo (\$20.00 per short ton) for oranges and lemons.

The Argentine citrus processing industry has in the past few years developed a significant capacity. The trade estimates that the industry is now able to process about 55 to 60 tons of fruit per hour. This capacity is expected to grow to about 136 tons per hour by the end of 1964. At that time, an estimated 15 to 20 percent of the Argentine orange crop, 10 to 15 percent of the grapefruit crop, and 5 to 10 percent of the tangerine and lemon crop will be used for processing. Some of the expansion of processing has been made possible through the assistance of the U. S. Agency for International Development (AID).

URUGUAY 1/

The 1962-63 production is estimated officially at 1 million boxes of oranges, 500,000 boxes of tangerines, and 400,000 boxes of lemons.

Utilization of citrus in 1962 is estimated at 420 metric tons exported, 46,650 metric tons used fresh in the domestic market, and 8,230 metric tons processed.

The citrus harvest begins about May 1. While most fruit is consumed fresh, the use of citrus for canning, preserves, and soft drinks continues to increase.

BRAZIL 2/

Brazil's orange crop is estimated at 26 million boxes, but this reduced estimate is still in excess of the harvested crop. As a comparison, the Brazilian Ministry of Agriculture estimates the orange crop at 55 million boxes.

Brazil will have sufficient oranges of export quality to maintain the previous year's exports to Europe. In view of sustained South African competition, orange exports are not likely to exceed 3.5 million boxes in 1963, although Brazilian exporters set their export goal at 4 million boxes.

Citrus canker and other disease problems probably preclude the export of Brazilian oranges to the United States, but exports to Canada are a possibility.

1/ From reports of Henry L. Buckardt, Agricultural Attache, American Embassy, Montevideo, Uruguay.

2/ Contains information from reports by W. Garth Thorburn, Agricultural Officer, American Consulate General, Sao Paulo, Brazil.

The utilization of citrus in Brazil is illustrated by the following official estimate of orange consumption in the State of Sao Paulo in 1961:

	<u>1,000 80-lb. boxes</u>
Fresh sales:	
Rural areas	3,770
Urban areas	10,215
Shipped to other states	72
Exports	3,256
Total	<u>17,313</u>
Loss of fruit in orchards	6,113
Total production	<u>23,426</u>

A 3-year government plan to improve citrus marketing has created a "Study Group" to work with processors and fresh fruit shippers. This Study Group has proposed domestic and export marketing programs, and discussed the feasibility of constructing storage facilities at ports. Suggestions for expanding the domestic market included improved grading and packaging of fruit in 8-pound (1/10 export box) plastic bags.

The growth of citrus processing is the most significant recent development. Trade sources indicate the growing processing industry may use 3 million boxes of oranges in 1963.

In 1962, a small plant in Bebedouro is reported to have processed 4,000 metric tons of oranges producing 250 tons of 65° Brix orange juice concentrate and 7 metric tons of orange oil. This plant may double its output in 1963.

Another plant using about 6,000 metric tons of oranges is reported in the State of Sao Paulo near Araras. Juice for a citrus soft drink will be produced here.

In addition, three small processing plants are scheduled for construction in 1963 in Bebedouro in the State of Sao Paulo.

Some of this juice will be exported to Europe, however, the presence of fruit flies which may result in some lots of Brazilian orange and grapefruit juice containing insect eggs and fly larvae will probably restrict imports into the United States.

CHILE 1/

Lemon production is expected to be maintained at about 1.25 million boxes, however, drought in 1962 affected some citrus areas.

1/ Based on information from Jerome M. Kuhl, Agricultural Attache, American Embassy, Santiago, Chile.

Exports in 1962 were as follows:

	<u>1,000 boxes</u>
Argentina	13
Germany	66
Netherlands	<u>5</u>
Total	84

In 1963, exports will not be restricted and are expected to increase sharply because of strong European demand.

The average 1962 export price of lemons was \$4.65 to \$4.85 per packed box, f.o.b., Chile. Trade sources estimate average 1963 export prices at \$5.20 per packed box.

The 1963 freight rate to Germany in refrigerated stowage is reported as \$2.00 per packed box for Conference vessels, and \$1.47 per box for non-Conference ships. These rates are subject to a 6 percent merchant marine tax.

The domestic use of fresh lemons is estimated at 1.1 million boxes and about 2,500 metric tons are used by processors. A new lemon soft drink is said to be increasing the demand for product lemons.

SURINAM 1/

The Government is seeking to expand citrus production. Construction of a processing plant started in 1962, and after some delay operations started in December 1962. An estimated 120,000 boxes of oranges were processed and the frozen concentrated juice produced is reported to be in Surinam storage.

The Government of Surinam has agreed to place an export embargo on fresh orange exports for 5 years to assure a supply of fruit for the processing plant.

The very small amount of fruit available for processing will limit juice output until production is attained on the 5,000 acres of land the developers have leased for citrus planting.

The juice plant has guaranteed to buy all citrus offered by growers at a price of about \$29.00 per short ton.

Products of the new plant will include frozen juices, grapefruit sections, essential oils, and dehydrated peel for cattle feed.

1/ Contains information reported by Harry M. Phelan, Jr., American Consul, American Consulate General, Paramaribo, Surinam.

VENEZUELA

Trade sources report about 30,000 acres of orange groves are in production and an equal area of young trees has been planted. Total orange production is estimated as 4.5 million 70-lb. boxes.

SOUTH AFRICA 1/

Exports of citrus in 1963 are estimated near the record 1962 level. South Africa's 1963 crop would be larger except for drought in the Transvaal which supplies half of South Africa's citrus. While low rainfall is expected to result in good quality fruit, it may also result in some fruit losses in areas where groves suffer from lack of moisture.

While climatic factors will retard the quantity of fruit exported in 1963, the citrus production of South Africa is expected to double by 1970. Efforts to find markets for the expanding production include changing the pricing system on Far Eastern sales from a fixed price to a consignment basis.

Domestic consumption of citrus in 1962 is reported as 2 million 70-lb. boxes sold to processors and 2.25 million 70-lb. boxes sold as fresh fruit. Both quantities are nearly the same as the utilization reported for 1961. The utilization of fruit by processors may not include fruit processed by the grower.

Fresh fruit sales in the domestic market continue to be made in the 30-lb. mesh bag or "pocket."

South Africa's large 1962 exports returned an average gross price of \$5.90 per box, compared to \$6.45 per box in 1961.

The returns on local sales also declined from \$1.16 per 70-lb box in 1961 to \$0.94 per box in 1962.

Shipping costs are tending to increase and precooling charges, which were \$3.36 per cubic ton in 1962, are expected to be about \$4.07 per cubic ton in 1963. Conference steamship freight rates to Europe for refrigerated stowage are expected to remain the same in 1963 at 165 shillings (\$23.00 per cubic ton). Charter freight rates are also expected to be unchanged at 220 shillings (\$30.80 per cubic ton), but the average freight cost to Europe is expected to increase slightly to \$1.37 per box.

South African exports reported in this circular are shown in box weights of 70 pounds for oranges, 80 pounds for grape fruit, and 76 pounds for lemons. These box weights are used to obtain comparable export data for all foreign areas. Because of these weight factors, the exports reported in boxes differ from the exports reported by the Citrus Marketing Board.

1/ Includes information reported by William J. Edens, Agricultural Attache, American Embassy, Pretoria, Republic of South Africa.

Processing

Official data on 1962 juice exports are not available, however, 1962 exports of single-strength juice are estimated at 400,000 U. S. gallons, about double 1960 exports; and shipments of preserved, hot pack and frozen concentrates are estimated at 350,000 U. S. gallons, about 100,000 U. S. gallons larger than 1960 exports.

Western Europe is South Africa's major juice market, and the United Kingdom is the major customer for both industrial juices, canned single-strength juices, and canned grapefruit sections.

SWAZILAND

Citrus production continues to increase, and 1963 exports are estimated at 90,000 boxes of oranges, 50,000 boxes of grapefruit, and 3,000 boxes of lemons. All exports are handled by the South African Cooperative Citrus Exchange.

MOZAMBIQUE

The Citrus Exchange also handles all exports from this area, and 1963 exports are estimated at 65,000 boxes of oranges, 100,000 boxes of grapefruit, and 2,500 boxes of lemons.

SOUTHERN RHODESIA

Citrus plantings are being expanded and while most commercial production is processed, 1963 fresh fruit exports are estimated at 25,000 boxes of oranges, 20,000 boxes of grapefruit, and 11,000 boxes of lemons. These exports will also be sold through the South African Citrus Exchange.

The Hippo Valley project, started in 1956, continues to expand and 750 acres are now reported as planted to citrus. ^{1/} The first fruit was harvested in the 1962 season and exported to Europe through the South African Cooperative Citrus Exchange. The exports included 5,000 boxes of grapefruit.

A modern packing house has been erected and citrus exports from Southern Rhodesia are expected to be a regular addition to Southern Hemisphere supplies marketed in Europe, May to November.

PHILIPPINES ^{2/}

There is local interest in expanding citrus growing and processing. Efforts are being made to improve the quality of domestic production. One plantation in Mati, Davao, has planted over 500 acres of Valencia oranges. Because of the tropical climate the fruit will be treated by "color add" for the domestic market.

^{1/} Barclay's Trade Review, November 1962

^{2/} Contains information reported by Burl Stugard, Agricultural Attache, American Embassy, Manila, Philippines.

Table 4.--CITRUS: Exports from Argentina, Brazil, and South Africa, preliminary figures for 1962

Destination	ORANGES			LEMONS			GRAPEFRUIT		
	Argen- tina	Brazil	South Africa	Argen- tina	Brazil	South Africa	Argen- tina	Brazil	South Africa
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	boxes	boxes	boxes	boxes	boxes	boxes	boxes	boxes	boxes
Belgium.....	--	9	2/	--	--	2/	--	--	2/
Finland.....	--	24	2/	--	--	2/	--	3/	2/
France.....	--	443	2/	--	--	2/	--	12	2/
Germany, West..	26	596	2/	--	3	2/	1	14	2/
Netherlands....	39	927	2/	--	1	2/	2	9	2/
Norway.....	--	22	2/	--	--	2/	--	--	2/
United Kingdom.	3/	789	3,073	--	--	125	2	34	511
Canada.....	--	--	617	--	--	3	--	--	3
Other.....	--	37	4/4,569	--	4	5/ 68	--	--	6/133
Total.....	65	2,847	8,259	0	8	196	5	69	647

1/ Nine months, January-September.

2/ Not available.

3/ Less than 500 boxes.

4/ Includes 942,000 boxes to Scandinavia, 3,331,000 boxes to Europe (other than United Kingdom and Scandinavia); and 296,000 boxes to African Territories, Middle East and Far East.

5/ Includes 29,000 boxes to Scandinavia and 36,000 boxes to Europe (other than United Kingdom and Scandinavia).

6/ Includes 28,000 boxes to Scandinavia and 94,000 boxes to Europe (other than United Kingdom and Scandinavia).

The establishment of processing plants is being considered, but most industrial and consumer packaged juices are imported from the United States.

In 1961, juice imports included 1,000 U. S. gallons of grapefruit juice, 6,000 gallons of orange juice, and 500 gallons of lemon juice.

In February 1963, U. S. canned juices were being sold in Manila at the following retail prices:

<u>Item</u>	<u>Unit</u>	<u>Retail Price</u>
Single-strength juice:		
Orange	6 ounce	\$0.28
	12 ounce	.37
	#2 can	.33-.38
	46 ounce	.64
Grapefruit	#2 can	.46-.50
Lemon	6 ounce	.18
Blend	#2 can	.38

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CITRUS
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February 1963

WINTER CITRUS PROSPECTS 1/

SUMMARY

Oranges and tangerines (November 1, 1962 - June 30, 1963): The Mediterranean crop is estimated at 99 million boxes, 28 million boxes less than last year, and the smallest crop in the last 6 seasons.

Total exports to Eastern and Western Europe, including the USSR, are estimated as 59 million boxes compared to 67 million boxes last year. Short supplies attributable to a small Italian crop and a freeze in Spain are partially offset by a large Israeli crop. Reduced supplies are expected to result in high prices in Europe.

Grapefruit (September 1, 1962 - June 30, 1963): Competitive winter grapefruit supplies continue to increase, primarily due to Israel's large crop. Competitive exports to Europe are estimated as 2.5 million boxes compared to 2.4 million boxes last year. Shortages of oranges may be reflected in higher winter grapefruit prices in Europe.

Lemons (October 1, 1962 - May 31, 1963): The Mediterranean lemon crop is estimated at 17 million boxes compared to 23 million boxes last season. Exports to Eastern and Western Europe, including USSR, are estimated at 8.4 million boxes, 1.2 million boxes less than last season.

The frost damage to lemons at Murcia, Spain will result in some shortage of lemons in Europe through the summer season.

1/ By J. Henry Burke, Marketing Specialist, Foreign Agricultural Service.

Table 1.--ORANGES AND TANGERINES: Production 1958-62, and exports to Eastern and Western Europe from principal suppliers competing with United States, winter seasons 1958-59 to 1962-63

PRODUCTION 1/

Origin	: 1958	: 1959	: 1960	: Prelim.: 1961	: Estimated 1962
	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.
	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>	: <u>boxes</u>
Algeria.....	: 10.7	: 11.8	: 6.7	: 8.0	: 10.0
Cyprus.....	: 1.2	: 1.1	: 1.0	: 2.0	: 1.8
Greece.....	: 6.8	: 6.1	: 6.4	: 7.2	: 7.3
Israel.....	: 14.9	: 15.5	: 11.7	: 13.0	: 17.3
Italy.....	: 26.5	: 26.2	: 27.2	: 28.2	: 20.6
Morocco.....	: 12.3	: 12.5	: 14.1	: 14.2	: 15.0
Spain.....	: 37.0	: 49.3	: 48.2	: 52.1	: 25.0
Tunisia.....	: 1.8	: 2.2	: 2.3	: 2.3	: 2.0
Total Mediterranean.	: 111.2	: 124.7	: 117.6	: 127.0	: 99.0
Mexico.....	: 20.8	: 20.8	: 21.5	: <u>2/</u> 14.0	: 17.0
Total winter.....	: 132.0	: 145.5	: 139.1	: 141.0	: 116.0

EXPORTS TO EASTERN AND WESTERN EUROPE 3/

Origin	: 1958-59	: 1959-60	: 1960-61	: Prelim.: 1961-62	: Estimated 1962-63
Algeria.....	: 6.2	: 7.6	: 6.7	: 8.4	: 7.0
Cyprus.....	: .7	: .7	: .7	: 1.7	: 1.6
Greece.....	: .4	: .9	: 1.0	: 1.6	: 3.5
Israel.....	: 9.6	: 10.0	: 6.7	: 9.0	: 12.0
Italy.....	: 6.3	: 6.9	: 6.2	: 6.8	: 7.0
Morocco.....	: 7.9	: 9.0	: 10.5	: 10.6	: 11.0
Spain.....	: 23.0	: 28.4	: 28.3	: 28.0	: 16.0
Tunisia.....	: 1.2	: .9	: 1.2	: 1.1	: .9
Total Mediterranean	: 55.3	: 64.4	: 61.3	: 67.2	: 59.0
Mexico <u>4/</u>	: .4	: .4	: .2	: .3	: .2
Total winter.....	: 55.7	: 64.8	: 61.5	: 67.5	: 59.2

1/ Year of bloom, March-April. Boxes of 70 pounds.

2/ Estimated harvest after January freeze.

3/ Crop year, November-October.

4/ Computed--total Mexican exports less U. S. and Canadian imports from Mexico.

Table 2.--LEMONS: Production 1958-62, and exports to Europe from principal suppliers competing with the United States, winter seasons 1958-59 to 1962-63

PRODUCTION 1/

Origin	1958	1959	1960	Prelim. 1961	Estimated 1962
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Algeria.....	0.3	0.5	0.2	0.2	0.2
Cyprus.....	.3	.3	.2	.3	.5
Greece.....	1.7	1.8	2.3	2.5	2.6
Israel.....	.6	.4	.6	.5	.6
Italy.....	11.6	10.4	9.8	14.3	9.8
Morocco.....	.3	.2	.3	.2	.2
Spain.....	2.0	2.8	2.5	2.7	1.4
Tunisia.....	.4	.5	.4	.5	.4
Turkey.....	1.2	1.2	1.6	1.5	1.7
Total.....	18.4	18.1	17.9	22.7	17.4
Italy only:					
Winter (Oct. 1-May 30) ..	10.3	9.2	8.8	13.2	8.8
Summer (June 1-Sept. 30) :	1.3	1.2	1.0	1.1	1.0

EXPORTS TO EASTERN AND WESTERN EUROPE 2/

Origin	1958-59	1959-60	1960-61	Prelim. 1961-62	Estimated 1962-63
Algeria.....	0.10	0.12	0.10	0.10	0.09
Cyprus.....	.15	.13	.09	.10	.15
Greece.....	.46	.95	.92	1.14	1.10
Israel.....	.27	.22	.22	.25	.35
Italy.....	5.37	4.74	5.15	6.28	5.10
Morocco.....	.07	.09	.11	.09	.08
Spain 3/.....	1.21	1.56	.90	1.35	1.00
Tunisia.....	.12	.15	.10	.13	.13
Turkey.....	.13	.17	.32	.18	.40
Total.....	7.88	8.13	7.91	9.62	8.40

Season	EXPORTS TO EASTERN AND WESTERN EUROPE FROM ITALY ONLY (WINTER AND SUMMER)					
Winter:	:	:	:	:	:	:
Oct. 1-Jan. 31.....	: 2.78	: 2.37	: 2.14	: 2.67	: 2.30	
Feb. 1-May 31.....	: 2.59	: 2.37	: 3.01	: 3.61	: 2.80	
Total Oct. - May	: 5.37	: 4.74	: 5.15	: 6.28	: 5.10	
Summer:						
June 1-Sept. 30.....	: 1.73	: 1.47	: 1.80	: 1.64	: 1.50	
Total.....	: 7.10	: 6.21	: 6.95	: 7.92	: 6.60	

1/ Year of bloom March-April. Boxes of 76 pounds. 2/ Oct. 1-May 31, except as indicated, includes exports to U.S.S.R. 3/ Nov.-Oct.

Table 3.--GRAPEFRUIT: Production 1956-62, and exports to Eastern and Western Europe from principal suppliers competing with United States, winter seasons 1958-59 to 1962-63

PRODUCTION 1/

Origin	1958	1959	1960	Prelim. 1961	Estimated 1962
	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes	Mil. boxes
Algeria.....	.15	.17	.14	.12	.10
British Honduras.....	.22	.25	.26	.03	.13
Cuba.....	.20	.20	.20	.20	.20
Cyprus.....	.20	.21	.20	.20	.28
Israel.....	1.96	1.93	1.73	1.89	2.50
Jamaica.....	.36	.39	.38	.61	.62
Morocco.....	.30	.23	.37	.41	.20
Spain.....	.14	.05	.11	.15	.05
Trinidad and Tobago.....	.49	1.10	.60	.80	.50
Total	4.02	4.53	3.99	4.41	4.58

EXPORTS TO EASTERN AND WESTERN EUROPE 2/

Origin	1958-59	1959-60	1960-61	Prelim. 1961-62	Estimated 1962-63
Algeria.....	.11	.08	.06	.05	.04
British Honduras.....	.04	.04	.05	.01	--
Cuba <u>3/</u>.....	.09	.09	.10	.05	.01
Cyprus.....	.16	.20	.22	.25	.25
Israel <u>4/</u>	1.29	1.50	1.17	1.35	1.74
Jamaica.....	.06	.06	.05	.08	.08
Morocco.....	.16	.17	.23	.22	.19
Spain.....	.03	.05	.05	.06	.05
Trinidad and Tobago <u>5/</u>.....	.14	.15	.19	.29	.14
Total.....	2.08	2.34	2.12	2.36	2.50

1/ Year of bloom, Feb.-April. Boxes of 80 pounds. 2/ September through June. 3/ Total exports. 4/ Israeli shipping boxes of 81.6 pounds net. 5/ Calendar years; chiefly to the United Kingdom.

REPORTS ON COMPETING AREAS

SPAIN 1/

During the period of December 24-26, 1962, Spain's citrus groves were severely damaged by the worst freeze since February 1956. Throughout Spain's Levante area, temperatures ranged from 22° F. to 26° F. on the nights of December 24 and 25, and from 26° F. to 32° F. on the night of December 26. Low temperatures over such an extended period of time resulted in heavy losses of fruit but practically no damage to the trees.

<u>All citrus</u>	<u>1,000 boxes <u>1/</u></u>
Estimated total 1962-63 citrus production	50,391
Harvested up to December 24	12,598
Fruit on trees December 24	37,793
Estimated loss of fruit	30,235
Forecast of exports before freeze	34,644
Exported and in warehouse for export, Dec. 24.	9,448
Estimated remaining exports	6,299
Estimated loss of exports	18,897

1/ Boxes of 70 pounds.

Freeze damage was very severe throughout the Levante area, while the villages of Burriana, Villaneal and Almazora in the Province of Castellon were the most severely hit. Reports indicate that damage was less severe in Cobera, Tabernes, Gandia, and Sagunto, than in other surrounding areas. Relatively little freeze damage was reported from the Seville and Malaga areas.

Table 4.--Citrus: Estimate of effect of 1963 freeze on Spanish exports

Estimated 1962-63 exports :	Oranges	Tangerines	Lemons	Grapefruit
	<u>:Mil. boxes</u>	<u>:Mil. boxes</u>	<u>:Mil.boxes</u>	<u>:Mil. boxes</u>
:				
:				
Total with no freeze :	31.4	2.2	1.0	.06
Exported to freeze :	8.5	.7	.1	.04
Available after freeze :	6.5	--	.9	.01
Probable total exports :	15.3	.7	1.0	.05

These are preliminary evaluations of the freeze damage. The results of a field survey of the affected areas in Spain will be reported in a separate circular early in March.

1/ Includes information reported by Ivy W. Duggan, Agricultural Attache, and W. S. Rowan, Assistant Agricultural Attache, American Embassy, Madrid, Spain.

ITALY 1/

In spite of young groves coming into bearing, the Italian orange and lemon crop is smaller than the previous year. Frost and snow early in 1962 damaged orange groves in Sicily, and drought impaired the lemon set. No serious frost damage was reported to January 17, 1963.

Both the orange and winter lemon crops are estimated 20 percent below normal and as much as 40 percent smaller than last season. Reports on the summer lemon crop, Verdelli, indicate a small crop on the East Coast (Messina - Catania), and a large crop at Bagheria, near Palermo.

In 1961-62, Italy is estimated to have used 22,000 metric tons of lemons for products compared to 18,000 metric tons in 1960-61. The use of product oranges was 9,000 metric tons, 1,000 tons larger than the previous season.

In 1962, Italy sent a delegation to Israel to study modernization of citrus culture and marketing.

In 1961-62, Italian exports of citrus products in metric tons were as follows: orange oil, 57 tons; lemon oil, 551 tons; Bergamot oil, 151 tons; and citrus juice, 16,483 tons.

Shortage of oranges and lemons in Spain will stimulate Italian exports.

The following were Italy's major citrus markets, 1960-61 and 1961-62 1/

Country	Oranges		Tangerines		Lemons	
	1,000		1,000		1,000	
	metric tons,		metric tons		metric tons	
	1960-61	1961-62	1960-61	1961-62	1960-61	1961-62
Austria.....	35	32	2	7	16	21
France.....	2/	2/	2/	2/	32	27
Germany, West..	56	53	19	24	84	106
Poland.....	2/	2/	2/	2/	17	13
Netherlands....	2/	2/	3/	2	2/	2/
United Kingdom.	2/	2/	2/	2/	16	18
Sweden.....	20	18	2/	2/	2/	2/
Switzerland....	35	32	5	6	2/	2/
Hungary.....	2/	2/	2/	2/	9	16
USSR.....	2/	2/	2/	2/	27	26
Others.....	19	17	7	3	39	46
Total.....	165	152	33	42	240	273

1/ Official data. 1961-62 figures preliminary.

2/ If any, included in others.

3/ Less than 500 tons.

1/ Reports from the Office of Robert C. Tetro, Agricultural Attache, American Embassy, Rome, Italy.

ISRAEL 1/

The 1962-63 citrus crop is larger and the orange sizes smaller than the previous season: The estimated 17 million box orange and tangerine crop, and 2.5 million boxes of grapefruit are expected to result in exports of 12 million boxes of oranges, and 1.74 million boxes of grapefruit. The shortages created by the Spanish freeze are expected to raise export prices and volume. To January 10, 1963, Israel's citrus exports totaled 2.3 million boxes of citrus, double the quantity exported to this date last season.

The most significant development in 1961-62 was the devaluation of the Israeli pound (IL) in February 1962. The former official rate of IL 1.80 to the dollar was replaced by a rate of IL 3 to the dollar. Citrus growers had been receiving an export premium prior to the devaluation of IL 2.40 to the dollar. Although the average dollar price for citrus exports in 1961-62 was 0.8 percent lower than in 1960-61, by virtue of the new exchange rate the Israeli pound price was 21.4 percent higher. Total dollar returns on citrus exports rose from 42.2 million in 1960-61 to 44.8 million in 1961-62, but in terms of Israeli pounds, returns shot up from 98.0 million to 128.4 million. Had the devaluation been implemented at the beginning of the citrus season the effect would have been greater.

Domestic prices rose hardly at all immediately after the devaluation due to the Government's efforts to stabilize the economy. This situation was favorable to citrus growers whose costs remained approximately at the same level. However, as of July 1962, with the rise in cost of living payments to laborers and the removal of various subsidies, production costs rose. Both internal transport prices and overseas freight charges will be higher in the 1962-63 season, the latter rising from \$0.81 per 88-pound box to \$0.84 per box for shipments to the United Kingdom. In addition, fertilizer and other resource prices have risen. All this indicates that the sharp rise in returns to growers will be offset to a large extent in the 1962-63 season by higher production costs.

Table 5.--Citrus Utilization: Israel, October 1, 1961 to September 30, 1962

Variety	Production	Utilization			
		Fresh		Processed	
		Domestic	Export		
	1,000 metric tons	- - 1,000 metric tons - -			
Oranges	384	38	283	63	
Grapefruit	69	7	49	13	
Lemons	18	3	9	6	

1/ Includes information from reports by Norman J. Pettipaw, Agricultural Attache, American Embassy, Tel Aviv, Israel.

Table 6.--Citrus Fruit, Fresh: Israel, exports by destination,
October 1, 1961 - September 30, 1962

Destination	Oranges		Grapefruit	Lemons
	Shamouti	Valencia		
	Percent	Percent	Percent	Percent
Common Market countries::				
Belgium.....	3.2	12.4	6.3	1.3
France.....	--	--	19.0	0.1
Netherlands.....	5.3	6.3	2.3	1.1
Germany, West.....	16.8	23.7	18.6	0.4
Other markets:				
United Kingdom.....	36.2	22.7	31.4	24.1
Austria.....	1.8	1.6	1.4	2.8
Switzerland.....	1.6	7.5	10.1	1.0
Denmark.....	5.6	5.0	3.4	10.0
Finland.....	7.3	3.4	1.5	3.4
Norway.....	5.0	4.3	1.3	0.7
Sweden.....	7.3	10.6	2.5	5.3
Canada.....	1.8	--	--	--
United States.....	0.2	--	--	--
Other:				
Eastern Europe.....	5.7	1.1	1.8	49.6
Unspecified.....	2.2	1.4	0.4	0.2
Total percent.....	100.0	100.0	100.0	100.0
Total in 1,000 boxes <u>1/</u>	7,238	1,677	1,353	254

1/ Oranges, 70 pounds; grapefruit, 80 pounds; Lemons, 76 pounds.

GREECE 1/

In the past 4 years, Greek citrus growers are reported to have planted 1.25 million orange trees and nearly 900,000 lemon trees, indicating that production may increase substantially in the future.

The 1962 orange and tangerine crop is estimated at 7.3 million boxes, slightly larger than the previous year, and the lemon crop about the same as the previous season. European demand in 1962-63 is expected to result in increased exports of both oranges and lemons.

1/ Includes information from the office of Henry A. Baehr, Agricultural Attache, American Embassy, Athens, Greece.

The agreement of Greece's association with the Common Market became effective November 1, 1962; this will permit the export of 22,000 metric tons of citrus fruit to the EEC in the 1962-63 season under the EEC duty preference rate.

In the 1961-62 season, orange exports were 6 percent to EEC countries and 61 percent to the Soviet Bloc; lemon exports, 2 percent to EEC countries and 83 percent to the Soviet Bloc.

Under a Greek Government program, which became effective for the 1962-63 export season, all exportable citrus must be graded and packed in newly established citrus packing plants, and all export citrus will be required to meet EEC quality standards.

In the 1962-63 season, packing plants will be in operation to handle 36,000 metric tons of oranges and 33,000 metric tons of lemons. Plants are under construction to add packing capacity for an additional 28,000 metric tons of fresh fruit.

Processing facilities are expanding and 1961-62 products production is estimated as 16,000 metric tons of single-strength orange juice, 1,500 tons of lemon juice, 45,000 pounds of orange oil, and 9,500 pounds of lemon oil. These estimates seem high considering the modest orange production.

Citrus products exports in 1961-62 are estimated as 8,000 metric tons of orange juice and 500 metric tons of lemon juice. Unlike fresh fruit, most juice is sold in Western Europe to Germany and the United Kingdom. Exports of essential citrus oils totaled about 10 metric tons in 1961. Western Germany and Algeria each took 4 metric tons.

In 1961, about 1,000 metric tons of dried and brined citron peel were exported. About 850 tons were sold to Eastern Germany and Western Germany took most of the balance.

TURKEY 1/

In the 11 years, 1951 to 1961, lemon plantings increased from 450,000 to 860,000 trees, tangerines from 680,000 to 1,500,000 trees, and oranges from 3.9 million to 5.8 million trees, according to Turkish Government data.

Estimates of the 1962-63 crop vary widely, but supplies of the following size are indicated: oranges and tangerines, 8 million boxes; 1.5 to 2 million boxes of lemons; and 90,000 boxes of grapefruit. Considerable quantities may not be of export quality or available for export.

In 1961-62, Turkey exported 67,000 boxes of oranges, 15,000 boxes of tangerines, and 184,000 boxes of lemons to Eastern and Western Europe and Syria.

1/ From reports of Gordon R. Schlubatis, Agricultural Attache, and Oldrich Fejfar, Assistant Agricultural Attache, American Embassy, Ankara, Turkey.

In 1962, the cost of picking and packing citrus, including the packing-house charges and the box was estimated at 69 U. S. cents per 31-pound lemon box, and 62 U. S. cents per 40-pound box of oranges.

Trade reports indicate that the new packing facilities near Adana have never been used to capacity, primarily because of transport difficulties in the producing area. Government programs to build packing facilities and regulate export grades may result in future increased fresh fruit exports.

TUNISIA

The 1962-63 orange and lemon crop is estimated about 25 percent smaller than 1961-62, reducing export prospects.

The Tunisian Government pays a subsidy on the export of maltaise variety oranges to markets other than France.

As the largest lemon producer in North Africa, Tunisia is expected to export about 120,000 boxes of lemons this year.

ALGERIA

The unsettled political situation is expected to result in lower citrus exports in 1962-63. Trade sources indicate grove care is poor. As an example, a citrus property which sold for \$175,000 in 1961 was resold in 1962 for \$100,000.

MOROCCO 1/

Unlike Algeria, citrus expansion has continued in Morocco and production is likely to expand in the next few years. The 1962-63 orange crop was originally estimated about 15 percent larger than 1961-62, but heavy January rains and flooding reduced the export prospects to 11 million boxes of oranges and tangerines, 80,000 boxes of lemons, and 190,000 boxes of grapefruit.

Morocco is expanding citrus exports to non-French markets. In 1961-62, only 44 percent of exports went to France. The other markets included Western Germany, 15 percent; Russia, 8 percent; the United Kingdom, 8 percent; the Netherlands, 7 percent, and some fruit was sold in 28 other countries.

In 1961, Morocco exported over 5,000 metric tons of citrus juice. This was small use of the processing capacity capable of producing 15,000 metric tons of juice. France was the major market but some juice was sold to Germany and the Netherlands.

Morocco also imported over 20 metric tons of citrus juice. Algeria was the major supplier.

1/ Reports of W. Gordon Loveless, Agricultural Attache, American Embassy Rabat, Morocco.

BRITISH HONDURAS 1/

In 1962, orange plantings were 4,700 acres (750 acres non-bearing), and grapefruit plantings 2,000 acres (900 acres non-bearing). In the next 3 years, an additional 2,700 acres of oranges are expected to be planted, including a development by a U. S. processor.

Citrus groves are recovering from Hurricane Hattie damage in 1962. About 10 percent of the grapefruit trees were lost and the 1962 crop of 130,000 boxes is only half the 1960-61 harvest, but the 1963 grapefruit crop is expected to be more normal. The 1962-63 orange crop is estimated at 1 million boxes.

Nearly all citrus and citrus products are exported to the United Kingdom. The existing British Ministry of Food contract for hot-pack orange juice concentrate will remain in effect for 2 more years.

In the period, July 1960 to June 1961, citrus and citrus product exports were as follows:

Item	:	Unit	:	Oranges	:	Grapefruit
Fresh fruit	:	Boxes	:	1,600	:	47,463
Sections	:	Cases 2 1/2's	:	--	:	169,746
Sweetened juice	:	do do	:	156,884	:	18,215
do do	:	Cases 12/10's	:	61,213	:	27,596
Unsweetered juice	:	do do	:	5,447	:	6,256
Hot-pack concentrate	:	do do	:		:	
6 to 1	:	do do	:	2,994	:	--
65° to 66° Brix	:	do do	:	31,120	:	--
Preserved concentrate	:	43-gal. bbls.	:		:	
4 to 1	:	do do	:	--	:	400
6 to 1	:	do do	:	4,306	:	--
Essential oil	:	Cases of 50 lbs.	:	1,020	:	<u>1/</u> 1,363
do do	:	Drums of 108 lbs.	:	<u>1/</u> 57,918	:	--

1/ Pounds.

JAMAICA 2/

In 1962, the planted area included 10,000 acres of oranges (2,000 acres non-bearing), and 2,000 acres of Marsh seedless grapefruit.

The 1961-62 orange crop was 1.5 million boxes, and about 700,000 boxes were processed, an approximately equal amount consumed in the domestic market, and about 100,000 boxes were exported as fresh fruit.

The "kid glove" orange, the Ortanique, is exported as far as New Zealand. Of the total crop of about 62,000 boxes, 25,000 boxes were exported fresh in 1961-62, 32,000 boxes were processed, and 5,000 boxes consumed in Jamaica.

1/ From a report by Dalton L. Wilson, Agricultural Attache, American Embassy, Guatemala City, Guatemala.

2/ Includes information from a report by William B. Callan, Agricultural Attache, American Embassy, Port-of-Spain, Trinidad.

In the 1961-62 season, the total grapefruit crop was estimated a little over 600,000 boxes, and over 500,000 boxes were processed, 75,000 boxes exported, and very few sold in the domestic market.

The 1962-63 citrus crop is early and the sweet orange crop is estimated as 1.25 million boxes, 0.5 million boxes of Marsh seedless grapefruit, and 120,000 boxes of sweet seeded grapefruit, 30,000 boxes of bitter oranges, and 53,000 boxes of Ortaniques. Jamaica also produces small quantities of a tangelo called the "Ugli."

The United Kingdom is reducing its purchases of hot-pack orange juice concentrate under the Ministry of Food contract. In the 1962-63 season, 667 tons of concentrate are expected to be purchased. The Citrus Growers Association will supply 75 percent of the juice, and Citrus Company of Jamaica the balance. The price is reported as \$4.41 per Imperial gallon.

In addition to the exports shown below, Jamaica exported 450,000 Imperial gallons of lime juice in 1961, and 250,000 gallons, January to July, 1962.

Item	Unit	Oranges		Grapefruit	
		1961	1962	1961	1962
		Cal.year	Jan.-July	Cal.Year	Jan.-July
Fresh fruit	:1,000 boxes	83	107	128	5
Canned sections	:1,000 cases 24/2's		<u>1</u> /	555	243
Single-strength juice	:1,000 Imp.gals.	36	245	312	142
Concentrated juice (hot-pack: and preserved)	: do do do	231	380	71	31

1/ Less than 500 units.

TRINIDAD 1/

The 1962-63 grapefruit crop is estimated at 500,000 boxes, and the orange crop at 300,000 boxes, much lower than the previous year.

In 1961-62, Trinidad exported to Europe (primarily the United Kingdom) 286,000 boxes of grapefruit; 201,000 cases of No. 2 cans of single-strength grapefruit juice; about 40,000 cases of grapefruit sections, and most of an indicated pack of over 1 million Imperial gallons of single-strength orange juice.

In 1961-62; growers received \$1.40 per packed box for grapefruit compared to \$1.80 per box the previous season. Grapefruit culls brought 95 cents

1/ From a report by William B. Callan, Agricultural Attache, American Embassy, Port-of-Spain, Trinidad.

per box compared to \$1.00 per box in 1960-61.

A new grapefruit section plant began operation in 1961-62.

Because of the probable demand for juice and grapefruit sections, fresh grapefruit exports may decline in 1962-63.

MEXICO 1/

The total citrus crop of 17.3 million boxes includes an estimated production of only 4 million boxes from the State of Nuevo Leon damaged by frost in January 1962. Fresh citrus exports and processing will be limited until Nuevo Leon groves recover production. Citrus shortage in Northeastern Mexico is stimulating processing and citrus expansion in other parts of Mexico, including Veracruz. Mexico City wholesale prices of fancy oranges were 28 pesos per 100 fruit in March 1962, compared to 19 pesos per 100 fruit in March 1961. In July 1962, fancy oranges sold wholesale for 52 pesos (\$4.10) per 100 fruit.

In 1962, Mexican exports of oranges, limes, and orange juice declined, but orange and lime oil exports increased.

JAPAN 2/

Citrus acreage and production continue to expand and the 1962 plantings of Satsuma oranges were estimated as 190,000 acres, 37 percent of which were less than 9 years of age. At peak production Satsuma orange groves have been returning growers a gross income of \$1,800 to \$2,400 per acre.

The 1962 crop of Satsuma oranges is estimated at 30 million boxes, about 3 million boxes more than 1961. Estimate of the 1962 crop of other types of oranges, usually about 5 million boxes, is not available.

Exports of fresh and canned Satsuma oranges are indicated in the accompanying table.

Japan continues to restrict the import of all citrus except Satsuma oranges. In the period, April 1 to September 30, 1962, \$800,000 was allocated for lemon imports. Under these restrictions only 3,109 metric tons of California lemons were imported in 1961, and 2,476 metric tons, January to August 1962. The small Japanese lemon production cannot supply the domestic market.

The wholesale price of domestic and imported lemons was as follows:

	Domestic U. S. cents per lb.	California U. S. cents per lb.
Average 1961	17	45
January 1962	17	48
June 1962	37	51

1/ From a report by Ana M. Gomez, Assistant Agricultural Attache, American Embassy, Mexico City, Mexico.

2/ From a report from the office of Joseph C. Dodson, Agricultural Attache, American Embassy, Tokyo, Japan.

Table 7 .--SATSUMA ORANGES, Fresh and Canned: Japan, exports by destination, 1961 and January - June 1961 and 1962.

Destination	Fresh <u>1/</u>			Canned <u>2/</u>		
	1961		1962	1961		1962
	Jan.-June	Jan.-Dec.	Jan.-June	Jan.-June	Jan.-Dec.	Jan.-June
	1,000 boxes	1,000 boxes	1,000 boxes	1,000 cases	1,000 cases	1,000 cases
Alaska.....	---	3	---	---	---	---
Canada.....	---	426	---	72	147	55
United States.....	---	---	<u>3/</u>	822	1,515	803
Hong Kong.....	6	6	<u>1</u>	---	---	---
Ryukyus.....	32	107	31	---	---	---
Germany, West.....	---	---	---	247	436	319
Netherlands.....	---	---	---	91	154	115
United Kingdom.....	3	4	<u>3/</u>	1,634	2,206	1,184
Others.....	<u>3/</u>	<u>3/</u>	<u>3/</u>	101	184	105
Total.....	41	546	32	2,967	4,642	2,581

1/ 70 pound boxes.

2/ Shown in cases of 24 No. 2 cans, but actually packed in cases of 48 11-ounce cans.

3/ Less than 500.

FRESH CITRUS: EUROPEAN IMPORTS

Oranges and Tangerines. In calendar year 1961, the indicated 11 western European countries imported a total of 73 million boxes of oranges and tangerines, 16 million boxes more than the 1951-55 average. In comparison, approximately 37 million boxes of fresh oranges and tangerines were marketed domestically in the United States from the 1961-62 harvest. In spite of Europe's record imports, the United States supplied only 1.4 million boxes in 1961 as compared with 2.8 million boxes in the 1951-55 period.

Germany was the major European market, importing 21.5 million boxes, followed by France, 19 million boxes, and the United Kingdom, 12 million boxes.

Grapefruit. In 1961, these European countries imported 3 million boxes of grapefruit, and the domestic fresh market in the United States used 20 million boxes in the 1961-62 season. While Europe is a small grapefruit consumer, by comparison, imports have increased about 1 million boxes since the 1951-55 period, and the U. S. share of the market has increased from 200,000 boxes to 750,000 boxes in 1961.

The United Kingdom is the largest market, taking nearly half of European imports in spite of continuing discrimination against U. S. winter grapefruit. Germany is the second most important market, followed by France.

Lemons. Europe's 200 million consumers in these 11 countries purchased 8 million boxes in 1961, compared with nearly 7 million boxes of fresh lemons sold in the U. S. domestic market from the 1961-62 harvest. European 1961 lemon imports were nearly 2.5 million boxes larger than the 1951-55 average.

Germany was by far the largest market, importing over 3 million boxes, and France was second in importance, followed by the United Kingdom.

OUTLOOK FOR FRESH CITRUS

Mediterranean winter orange supplies of 99 million boxes will be the smallest since 1956-57, following the Spanish freeze at that time. Shortages in Spain will be partly offset by larger exports from Israel, Morocco, Greece, and several minor citrus areas. Short winter orange supplies in the United States will prevent our taking advantage of a fine export opportunity.

Winter lemons from the Mediterranean are also in short supply, but it is doubtful if the United States will have sufficient lemons to maintain export levels.

Unlike orange and lemon supplies, the Mediterranean winter grapefruit crop is larger than last year, and exports to European markets are expected to be at record levels.

The United Kingdom is continuing its discrimination against U. S. winter grapefruit. As long as the British restrictions are maintained U. S. Gulf Coast grapefruit growers will be denied access to Europe's largest grapefruit market.

Table 8.--CITRUS FRUITS, FRESH: Imports into specified countries of Western Europe from the United States and other countries, average 1951-55, annual 1960 and 1961

Commodity and country	Average		1960				1961	
	1951-55							
	U. S.	Other	U. S.	Other	U. S.	Other	U. S.	Other
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	boxes 1/	boxes 1/	boxes 1/	boxes 1/	boxes 1/	boxes 1/	boxes 1/	boxes 1/
Oranges and tangerines:								
Austria.....	1	710	4	2,082	3	2,002		
Belgium-Luxembourg.....	972	2,519	259	3,740	568	3,346		
Denmark.....	--	883	21	1,096	22	1,111		
France.....	345	17,523	--	19,555	125	18,964		
Germany, West.....	357	11,395	40	22,463	131	21,537		
Ireland.....	11	413	4	473	--	493		
Netherlands.....	727	2,346	283	5,572	468	5,147		
Norway.....	69	1,503	116	1,350	101	1,350		
Sweden.....	173	2,670	55	2,806	15	2,958		
Switzerland.....	93	1,775	2	2,314	4	2,354		
United Kingdom.....	9	12,079	--	13,563	--	12,297		
Total.....	2,757	53,816	784	75,014	1,437	71,559		
Lemons:								
Austria.....	8	298	113	458	87	505		
Belgium-Luxembourg.....	129	150	213	160	258	117		
Denmark.....	--	127	63	97	71	106		
France.....	14	1,304	293	1,488	476	1,502		
Germany, West.....	146	1,974	265	2,938	209	3,149		
Ireland.....	1	24	6	20	7	22		
Netherlands.....	48	97	113	106	168	67		
Sweden.....	9	123	53	87	65	70		
Switzerland.....	2/ 75	2/ 459	2/ 99	2/ 524	62	389		
United Kingdom.....	37	818	181	811	246	813		
Total.....	467	5,374	1,399	6,689	1,649	6,740		
Grapefruit:								
Austria.....	--	--	4	28	9	23		
Belgium-Luxembourg.....	89	94	32	130	69	90		
Denmark.....	--	22	9	49	22	59		
France.....	28	228	70	517	166	353		
Germany, West.....	16	108	134	501	205	467		
Ireland.....	1	18	7	20	9	18		
Netherlands.....	22	45	44	133	83	112		
Sweden.....	17	31	28	37	29	42		
Switzerland.....	3/	3/	3/	3/	34	151		
United Kingdom.....	19	1,258	54	1,665	121	1,013		
Total.....	192	1,804	382	3,080	747	2,328		

1/ Oranges, 70 pounds; lemons, 76 pounds; grapefruit, 80 pounds.

2/ Includes grapefruit. 3/ Included in lemons.

FRESH CITRUS: UNITED STATES EXPORTS

Orange and tangerines.--U. S. orange and tangerine exports were 5.0 million boxes in the 1961-62 season, compared with 5.2 million boxes in 1960-61. Winter orange exports (November to April) increased in all major market areas, while summer orange exports increased only to the Far East. U. S. exports to Canada have declined steadily for 3 seasons, and 1961-62 exports were about 1 million boxes less than 1959-60.

Table 9.--ORANGES AND TANGERINES: U. S. exports by season and market area, November 1, 1959 - October 31, 1962

Destination	Winter exports			Summer exports		
	Nov. 1 - Apr. 30			May 1 - Oct. 31		
	1959-60	1960-61	1961-62	1960	1961	1962
	1,000 boxes of 84 lbs.			1,000 boxes of 84 lbs.		
Canada.....	2,356	1,639	1,762	1,619	1,408	1,263
Europe:						
Belgium-Luxembourg.....	16	7	4	156	354	225
Denmark.....	1	--	--	17	18	7
Finland.....	--	3	--	--	13	--
France.....	1	--	1	86	119	62
Germany, West.....	2	3	--	15	10	14
Iceland.....	--	--	--	3	--	--
Ireland.....	3	--	1	1	2	1
Netherlands.....	41	12	47	279	630	593
Norway.....	7	27	4	85	52	62
Sweden.....	26	3	--	20	2	1
Switzerland.....	1	--	2	11	4	--
United Kingdom.....	3	2	4	2	13	30
Total.....	101	57	63	675	1,217	995
Far East:						
Malaya & Singapore.....	52	23	11	57	61	43
Hong Kong.....	285	168	255	306	311	407
New Zealand.....	45	37	--	--	--	--
Philippines.....	25	18	15	17	23	18
Other 1/.....	8	20	9	8	13	11
Total.....	415	266	290	388	408	479
Caribbean:						
Bahamas.....	8	5	5	8	9	10
Bermuda.....	4	4	3	3	4	1
Netherlands Antilles.....	33	17	24	11	15	29
Other.....	2/	--	--	--	--	--
Total.....	45	26	32	22	28	40
Latin America:						
Mexico.....	109	36	16	98	66	52
Other.....	1	2	1	--	--	1
Total.....	110	38	17	98	66	53
Other markets 3/.....	5	2	--	--	--	--
Total all markets.....	3,032	2,028	2,164	2,802	3,127	2,830

1/ India, Indochina, Indonesia, Japan, Korea, Macao, Nansei and Nanpo Islands.

2/ Less than 500 boxes. 3/ Algeria, Belgian Congo, Aden, and Bahrein.

Grapefruit.--U. S. grapefruit exports totaled 2.8 million boxes in 1961-62 compared with 2.7 million boxes in 1960-61. Winter exports to Europe increased for the first time in 3 years. (table 10)

Table 10.--GRAPEFRUIT, FRESH: U. S. exports by season and market area, Sept. 1, 1959 - Aug. 31, 1962

Destination	Winter exports			Summer exports		
	Sept. 1 - Feb. 28			Mar. 1 - Aug. 31		
	1959-60	1960-61	1961-62	1960	1961	1962
	1,000 boxes of 78 lbs.			1,000 boxes of 78 lbs.		
Canada.....	868	804	912	730	980	950
Europe:						
Belgium-Luxembourg.....	18	10	14	31	64	52
Denmark.....	2	2	2	5	21	12
France.....	25	20	55	52	128	147
Germany, West.....	45	38	64	66	79	82
Ireland.....	1	1	1	4	5	10
Netherlands.....	45	36	126	66	186	208
Norway.....	1	2	2	9	10	7
Sweden.....	17	16	25	17	13	17
Switzerland.....	6	3	2	24	20	21
United Kingdom.....	11	9	18	43	163	124
Other.....	--	1	4	1	5	2
Total.....	171	138	313	318	694	682
Far East:						
Malaya & Singapore.....	1	1	1	2	3	2
Hong Kong.....	<u>1/</u>	1	1	1	1	4
Japan.....	<u>1/</u>	4	8	5	13	6
Other.....	--	8	<u>1/</u>	--	3	<u>1/</u>
Total.....	1	14	10	8	20	12
Caribbean:						
Bahamas.....	<u>1/</u>	1	<u>1/</u>	1	1	<u>1/</u>
Netherlands Antilles.....	<u>1</u>	1	<u>1</u>	1	1	<u>2</u>
Other.....	--	--	<u>1/</u>	<u>1/</u>	1	1
Total.....	1	2	1	2	3	3
Mexico.....	<u>1/</u>	2	3	1	3	5
Other markets.....	<u>14</u>	1	1	<u>1/</u>	<u>1/</u>	--
Total all markets.....	1,055	961	1,240	1,059	1,700	1,652

1/ Less than 500 boxes.

Lemons.--U. S. lemon exports declined in the 1961-62 season. Total 1961-62 exports of 2.2 million boxes were 600,000 boxes smaller than in 1960-61. Smaller sales to Western Europe accounted for nearly all of the decrease. (Table 11)

Table 11.--LEMONS AND LIMES: U. S. exports by season and market area, November 1, 1959 - October 31, 1962

Destination	Winter exports			Summer exports		
	Nov. 1 - Apr. 30			May 1 - Oct. 31		
	1959-60	1960-61	1961-62	1960	1961	1962
	1,000 boxes of 76 lbs.			1,000 boxes of 76 lbs.		
Canada.....	186	192	195	200	222	221
Europe:						
Belgium-Luxembourg.....	173	145	131	116	138	77
Denmark.....	18	20	16	30	38	14
Finland.....	6	14	14	22	4	4
France.....	123	196	244	180	254	139
Germany, West.....	169	107	123	293	321	91
Iceland.....	2	2	3	1	2	2
Ireland.....	2	2	1/	2	3	3
Netherlands.....	154	139	191	143	304	129
Norway.....	25	32	31	18	24	21
Sweden.....	37	25	18	22	27	26
Switzerland.....	36	10	--	76	44	10
United Kingdom.....	100	102	114	100	137	55
Other.....	--	8	12	47	68	65
Total.....	845	802	897	1,050	1,364	636
Far East:						
Hong Kong.....	12	9	16	11	17	16
New Zealand.....	7	2	--	--	--	--
Japan.....	45	44	56	43	50	50
Other.....	1	2	3	--	4	1
Total.....	65	57	75	54	71	67
Caribbean.....	1/	1	1	2	2	2
Mexico.....	14	30	36	32	36	49
Other markets <u>2/</u>	6	1/	--	--	1	--
Total all markets.....	1,116	1,082	1,204	1,338	1,696	975

1/ Less than 500 boxes.

2/ Algeria, Belgian Congo, Aden, and Bahrein.

The Canadian Market

Canadian orange and tangerine imports, as reported in official data for crop years, November-October, indicate the declining U. S. share of this market

Source	:	1958-59	:	1959-60	:	1960-61
	:	<u>1,000 boxes</u>	:	<u>1,000 boxes</u>	:	<u>1,000 boxes</u>
United States..	:	5,205.6	:	4,827.3	:	3,862.4
South Africa...	:	24.5	:	418.0	:	493.4
Japan.....	:	396.6	:	449.0	:	586.2
Mexico.....	:	87.4	:	146.3	:	386.2
Israel.....	:	83.5	:	99.7	:	124.1
Spain.....	:	4.7	:	2.9	:	.7
Other.....	:	15.4	:	9.6	:	9.7
Total.....	:	5,817.7	:	5,952.8	:	5,462.7

TRADE IN CITRUS PRODUCTS

Orange and grapefruit products. In the 1961-62 season, single-strength orange juice exports increased from 1.9 million cases in 1960-61 to 2.6 million cases, and single-strength grapefruit juice exports also increased from 1.8 million cases to 2.2 million cases as sales of both items expanded in Europe. Total exports of hot-pack orange juice concentrate increased slightly to 1.1 million gallons, but hot-pack grapefruit exports declined. Exports of frozen orange juice concentrate reached nearly 5 million gallons. While Canada is the major market, exports of frozen juice to Europe increased to 865,000 gallons where the product is used mostly as an industrial juice. Total exports of grapefruit sections declined, but sales in new European markets are expanding, indicating a wider future distribution. In this season, the Netherlands imported 10,000 cases, and Denmark 5,000 cases; both are substantial gains in new markets.

Lemon juice. Imports of lemon juice increased to 800,000 gallons, the highest level since 1958-59. Exports declined for the second season to 1.8 million gallons, the lowest level in the past 5 seasons.

Essential oils. Orange oil exports were over 3 million pounds--another record. Lemon oil exports of 600,000 pounds were 120,000 pounds smaller than last season's record sales. Imports of both orange and lemon oil increased slightly.

United Kingdom

The United Kingdom continues to restrict severely the imports of U. S. grapefruit sections, and orange and grapefruit juice. This discrimination against U. S. citrus products denies U. S. processors access to Europe's largest citrus products market.

Table 12.-ORANGE AND GRAPEFRUIT PRODUCTS: U. S. exports by kind, to general and specific areas, Nov. 1, 1959 - Oct. 31, 1962

Year ending Oct. 31 and market area	Orange juice			Grapefruit juice			Blended juices	Grapefruit sections
	Single-	Concentrate		Single-	Concentrate			
	strength	Hot pack:	Frozen	strength	Hot pack:	Frozen		
	1,000 cases	1,000 U.S. gal.	1,000 U.S. gal.	1,000 cases	1,000 U.S. gal.	1,000 U.S. gal.	1,000 cases	1,000 cases
1959-60:								
Canada.....	2,263	159	3,674	972	10	108	888	67
Europe.....	393	573	767	372	75	12	54	338
Far East.....	40	38	16	10	1	--	2	3
Middle East.....	74	1	27	10	10	1	1	1
Africa.....	9	1	1	2	--	2	3	1/
Caribbean.....	43	9	40	4	1/	1	5	1
Latin America.....	15	20	62	13	49	5	3	1
Other areas.....	9	--	8	7	--	5	1	2
Total.....	2,846	801	4,595	1,390	145	134	957	413
1960-61:								
Canada.....	1,634	234	3,364	971	42	139	722	73
Europe.....	143	555	701	735	84	18	49	372
Far East.....	47	160	19	22	6	1/	5	3
Middle East.....	25	5	22	9	6	2	9	3
Africa.....	21	28	3	7	47	--	7	1
Caribbean.....	31	9	40	5	7	7	11	1
Latin America.....	25	12	53	16	80	27	7	1/
Other areas.....	1/	--	--	1/	--	--	--	--
Total.....	1,926	1,003	4,202	1,765	272	193	810	453
1961-62:								
Canada.....	1,831	176	3,918	961	85	147	648	59
Europe:								
Austria.....	9	1	3	10	--	1	--	--
Belgium-Luxembourg..	36	19	7	46	4	--	3	1
Denmark.....	50	1	4	13	19	5	23	5
France.....	4	--	6	325	11	2	7	--
Germany, West.....	235	216	673	309	12	74	11	1
Ireland.....	9	--	1	11	--	1/	--	32
Italy.....	10	3	--	20	--	--	1	1/
Netherlands.....	66	257	28	43	10	2	2	10
Norway.....	6	3	1	3	--	--	1	--
Sweden.....	98	54	78	41	3	8	38	1/
Switzerland.....	12	64	61	25	49	1	--	2
United Kingdom.....	39	--	3	283	3	--	4	235
Other.....	6	--	--	5	3	--	3	--
Total.....	580	618	865	1,134	114	93	93	286
Far East:								
Malaya.....	37	133	5	11	1	--	1	3
Hong Kong.....	10	14	8	2	--	1/	--	1
Japan.....	20	--	1/	4	--	--	--	1
New Zealand.....	1	2	--	--	--	--	--	--
Philippines.....	2	148	1	1/	--	--	1	--
Other.....	4	28	3	1	1/	1	3	1
Total.....	74	325	17	18	1	1	5	6
Middle East:								
Bahrein.....	1	1/	2	1/	--	1/	1/	--
Kuwait.....	7	1	2	1	--	--	1	1/
Saudi Arabia.....	6	2	21	1	--	1	2	1
Israel.....	1/	--	1	2	8	7	--	--
Other.....	21	1/	10	11	1	2	5	1
Total.....	35	3	36	15	9	10	8	2
Africa:								
Algeria.....	--	--	--	5	--	--	--	--
So. Africa, Rep. of..	--	--	3	--	--	--	--	--
Other.....	18	5	2	3	1	1	3	1/
Total.....	18	5	5	8	1	1	3	1/
Caribbean:								
Bahamas.....	21	--	7	2	1/	--	1	1/
Bermuda.....	6	1	15	4	--	1/	4	1
Cuba.....	--	--	--	--	--	--	--	--
Netherlands Antilles:	12	--	13	1/	10	3	1	--
Other.....	3	1	3	1/	--	--	4	1/
Total.....	42	2	38	6	10	3	10	1
Latin America:								
Canal Zone.....	3	--	1/	2	--	--	--	1/
Mexico.....	22	2	1	11	18	1	2	1/
Venezuela.....	--	17	24	4	--	7	1/	--
Other.....	4	1/	1	6	1	1	13	1/
Total.....	29	19	26	23	19	9	15	1/
Other areas.....	--	--	--	1/	--	--	1/	--
Total all markets..	2,609	1,148	4,905	2,165	239	264	782	354

1/ Less than 500 units.

Table 13.--U. S. trade in lemon juice and essential oil of orange and lemon, crop year Nov. 1, 1956-Oct. 31, 1962

Year and Area	Lemon juice		Orange oil		Lemon oil	
	Exports	Imports	Exports	Imports	Exports	Imports
	Single-strength equivalent 1/ 1,000 U. S. gal.		1,000 pounds		1,000 pounds	
1956-57:						
Canada.....	216	--	25	--	44	--
Other areas.	1,313	1,451	1,886	100	192	97
Total.....	1,529	1,451	1,911	100	236	97
1957-58:						
Canada.....	333	--	46	--	53	--
Other areas.	1,752	157	2,275	64	325	32
Total.....	2,085	157	2,321	64	378	32
1958-59:						
Canada.....	307	--	45	--	21	5
Other areas	1,772	1,691	2,264	77	254	82
Total.....	2,079	1,691	2,309	77	275	87
1959-60:						
Canada.....	335	--	48	--	97	13
Other areas	1,919	174	2,363	65	507	67
Total.....	2,254	174	2,411	65	604	80
1960-61:						
Canada.....	361	--	69	--	128	10
Other areas	1,578	160	2,694	79	618	172
Total.....	1,939	160	2,763	79	746	182
1961-62:						
Canada.....	379	--	68	--	56	18
Other areas	1,497	838	3,069	130	564	292
Total.....	1,876	838	3,137	130	620	310

1/ Includes single-strength and preserved hot pack and frozen concentrate expressed in single-strength equivalents.

OUTLOOK FOR CITRUS PRODUCTS

High fresh fruit prices will probably result in smaller supplies of Mediterranean industrial orange juice, and competitors may be expected to raise the price of concentrated industrial and canned single-strength orange juice.

Strong demand for juice bases is expected from the European soft drink trade.

Shortages of lemons will probably result in lower utilization of Mediterranean lemons for products. Higher lemon products prices will encourage adulteration of Mediterranean juice and oil. Large stocks of lemon juice and oil are thought to be available in Sicily as the very large winter lemon crop last year resulted in low fruit prices and afforded a fine opportunity for processors to accumulate stocks. Juice storage in Sicily has been expanded in recent years.

High orange juice prices in the United States and the demand for juice of blending quality may result in increased U. S. imports of orange juice.

Importers will face the problem of finding juice which will meet U. S. Food and Drug Administration standards. Most foreign citrus producing areas have one or more fruit flies which sting the fruit, depositing an egg which develops into a larva. Tests made indicate some lots of juice from fly-infested fruit will contain maggot eggs and insect particles. Juice with such defects would be denied entry into the United States by the Food and Drug Administration.

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Table 14.--U. S. imports of orange and lime juice, monthly, 1960-62

Month	Orange juice			Lime juice					
	Concentrated ^{1/}			Concentrated ^{2/}			Single-strength		
	1960	1961	1962	1960	1961	1962	1960	1961	1962
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.	U.S.gal.
January.....	0	0	62	0	0	3/	5	37	73
February.....	421	312	597	0	1	0	40	18	32
March.....	312	374	304	28	0	0	46	29	32
April.....	204	281	148	0	5	41	13	37	21
May.....	109	531	0	0	1	31	90	10	115
June.....	359	344	0	8	4	9	49	10	46
July.....	16	31	3/	28	0	3/	46	100	44
August.....	0	3/	0	3/	10	57	28	127	44
September....	297	65	0	16	0	0	39	52	57
October.....	153	0	0	3	4	0	25	37	82
November.....	16	6	4/	27	0	4/	47	46	4/
December.....	3/	62	4/	0	5	4/	46	22	4/
Total.....	1,887	2,006	--	110	30	--	474	525	--

1/ Item 1770090, citrus juice concentrate unspecified, excluding lemon and lime, mostly orange, but may include some other citrus juice, expressed in single-strength equivalent. In addition, U. S. imports of single-strength orange juice were 17,000 gallons in 1960, and 5,000 gallons in 1961.

2/ Item 1770010, lime juice concentrate, expressed in single-strength equivalent.

3/ Less than 500 gallons.

4/ Not available.

Source: Bureau of the Census.